Medtronic News

Medtronic Increases Its Cash Dividend by 8 Percent; Approves Share Repurchase Plan

Thomson Reuters ONE via COMTEX) --MINNEAPOLIS - June 20, 2013 - The board of directors of Medtronic, Inc. (NYSE: MDT) today approved an 8 percent increase in its cash dividend, raising the quarterly amount to $0.28 per share of the Company's common stock, which would result in an annual amount of $1.12 per share. This dividend increase brings the Company's current dividend yield to 2.2 percent and expected fiscal year 2014 dividend payout ratio to approximately 30 percent. Medtronic's dividend has nearly quadrupled over the past ten years, and today's announcement marks the Company's 36th consecutive year of increased dividend payments. Medtronic is a constituent of the S&P 500 Dividend Aristocrats index.

In addition, the board approved an increase in its Share Repurchase Plan, authorizing the Company to purchase 80 million shares of its common stock, which represents approximately 8 percent of the Company's total basic shares of common stock outstanding. Over the past 5 years, Medtronic has repurchased approximately $5.6 billion of its common stock, or over 142 million shares, which has contributed to the reduction of the Company's outstanding shares of common stock by 10 percent.

"Today's actions reflect the confidence that the board of directors and management team have in Medtronic's ability to generate significant free cash flow and create long-term shareholder value," said Omar Ishrak, chairman and chief executive officer. "As part of our disciplined capital allocation program, we remain committed to returning 50 percent of our free cash flow to shareholders each year through dividends and share repurchases, which still gives us ample flexibility to make necessary investments for sustainable growth."

In fiscal year 2013, the Company generated $4.9 billion in operating cash flow, made $1.1 billion in dividend payments to its shareholders, and repurchased 31 million shares of its common stock, for a combined total cash return to its shareholders through dividend payments and share repurchases of more than $2.3 billion.

The dividend is payable on July 26, 2013, to shareholders of record at the close of business on July 5, 2013. Under its Share Repurchase Plan, Medtronic may make purchases from time to time through the open market.

About Medtronic

Medtronic, Inc. (www.medtronic.com), headquartered in Minneapolis, is the global leader in medical technology - alleviating pain, restoring health and extending life for millions of people around the world.

Any forward-looking statements are subject to risks and uncertainties such as those described in Medtronic's periodic reports on file with the Securities and Exchange Commission. Actual results may differ materially from anticipated results.

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