Medtronic News

Medtronic Agrees to Settle Certain INFUSE® Bone Graft Product Liability Cases

MINNEAPOLIS - MAY 6, 2014 - Medtronic, Inc. (NYSE: MDT) today announced that it has agreed with certain plaintiffs' counsel to settle their inventories of filed and unfiled product liability claims related to INFUSE® Bone Graft. Under the terms of the agreement, Medtronic has agreed, subject to certain conditions, to resolve the claims of an estimated 950 claimants for a total payment of approximately $22 million.

This agreement is a compromise of disputed claims and is not in any way an admission of liability or validity of any defense in the litigation by Medtronic. The company continues to stand behind INFUSE Bone Graft, which has been utilized in more than one million patients since it was approved more than ten years ago, and will vigorously defend the product and company actions in the remaining cases. Earlier this month, on the eve of trial and after several days of pretrial motions, a California trial judge entered summary judgment in favor of Medtronic in the first INFUSE Bone Graft case scheduled to go to trial. Approximately 750 filed cases brought by approximately 1,200 individual plaintiffs remain pending in various courts throughout the United States. The majority of these cases are still in the early procedural stages and none have resulted in a finding of liability against Medtronic.

As previously disclosed in Medtronic's SEC filings, certain law firms have advised the company that they may bring a large number of similar claims against the company in the future. The company estimates those law firms represent approximately 2,600 additional unfiled claimants.

The company anticipates it will take a special charge in the range of $120 - $140 million in its recently completed fourth quarter under the guidelines of FAS 5. This charge accounts for the $22 million settlement announced today, the estimated settlement of the approximately 3,800 (1,200 filed; 2,600 unfiled) additional claims, and certain costs associated with these settlements.

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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