

Medtronic Announces Double-Digit Increase in Cash Dividend; Reaches 40 Percent Payout Ratio

DUBLIN - June 24, 2016 - The board of directors of Medtronic plc (NYSE: MDT) today approved a 13 percent increase in its quarterly cash dividend, raising the quarterly amount to \$0.43 per ordinary share. This would translate into an annual amount of \$1.72 per ordinary share. Today's announcement marks the 39th consecutive year of an increase in the dividend payment for Medtronic, a constituent of the S&P 500 Dividend Aristocrats index. Including today's increase, Medtronic's dividend per share has nearly quadrupled over the past decade and has grown at an 18 percent compounded annual growth rate over the past 39 years.

Today's increase also brings Medtronic's dividend per share payout ratio to 40 percent of prior fiscal year non-GAAP diluted earnings per share after adjusting for the impact of the extra sales week in fiscal year 2016.

"Today's double-digit increase in our dividend reflects the confidence the board and our management team has in Medtronic's ability to deliver consistent and sustainable growth, as well as to generate significant and increasingly accessible free cash flow," said Omar Ishrak, Medtronic chairman and chief executive officer. "We are deploying considerable amounts of capital strategically, consistently, and with discipline to provide attractive returns for our shareholders. This includes our focus on delivering dependable, long-term growth in our dividend."

Medtronic remains committed to returning a minimum of 50 percent of its free cash flow to its shareholders through dividends and share repurchases. The company also continues to target an A credit profile. The dividend is payable on July 27, 2016, to shareholders of record at the close of business on July 8, 2016. Starting with this dividend payment, Medtronic now expects that its dividend will be treated for U.S. tax purposes as a distribution of earnings and not a return of capital. Additional information about the tax treatment of the dividend is available at investorrelations.medtronic.com.

About Medtronic

Medtronic plc (www.medtronic.com), headquartered in Dublin, Ireland, is among the world's largest medical technology, services and solutions companies - alleviating pain, restoring health and extending life for millions of people around the world. Medtronic employs more than 85,000 people worldwide, serving physicians, hospitals and patients in approximately 160 countries. The company is focused on collaborating with stakeholders around the world to take healthcare Further, Together.

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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