MEDTRONIC, INC.
WORLD WIDE REVENUE
(Unaudited)

($ millions)

	FY12 QTR 1	FY12 QTR 2	FY12 QTR 3	FY12 QTR 4	FY12 Total	FY13 QTR 1	FY13 QTR 2	FY13 QTR 3	FY13 QTR 4	FY13 Total
REPORTED REVENUE :										
CARDIAC RHYTHM DISEASE MANAGEMENT	$ 1,253	$ 1,268	$ 1,192	$ 1,295	$ 5,007	$ 1,193	$ 1,227	$ 1,171	$ -	$ 3,591
Defibrillation Systems	697	708	674	744	2,822	675	689	654	-	2,019
Pacing Systems	508	511	467	492	1,978	463	480	459	-	1,401
AF & Other	48	49	51	59	207	55	58	58	-	171
CORONARY	$ 389	$ 376	$ 382	$ 450	$ 1,598	$ 433	$ 429	$ 445	$ -	$ 1,307
STRUCTURAL HEART	$ 275	$ 266	$ 265	$ 289	$ 1,094	$ 280	$ 271	$ 272	$ -	$ 823
ENDOVASCULAR	$ 186	$ 188	$ 190	$ 219	$ 783	$ 209	$ 210	$ 212	$ -	$ 631
CARDIAC & VASCULAR GROUP	$ 2,103	$ 2,098	$ 2,029	$ 2,253	$ 8,482	$ 2,115	$ 2,137	$ 2,100	$ -	$ 6,352
SPINE	$ 825	$ 839	$ 784	$ 818	$ 3,267	$ 786	$ 782	$ 753	$ -	$ 2,320
Core Spine	651	675	640	677	2,643	645	649	639	-	1,932
BMP	174	164	144	141	624	141	133	114	-	388
NEUROMODULATION	$ 397	$ 421	$ 419	$ 463	$ 1,700	$ 419	$ 454	$ 447	$ -	$ 1,320
DIABETES	$ 355	$ 367	$ 367	$ 392	$ 1,481	$ 364	$ 378	$ 377	$ -	$ 1,119
SURGICAL TECHNOLOGIES	$ 266	$ 298	$ 319	$ 371	$ 1,254	$ 324	$ 344	$ 350	$ -	$ 1,019
RESTORATIVE THERAPIES GROUP	$ 1,843	$ 1,925	$ 1,889	$ 2,044	$ 7,702	$ 1,893	$ 1,958	$ 1,927	$ -	$ 5,778
TOTAL CONTINUING OPERATIONS	$ 3,946	$ 4,023	$ 3,918	$ 4,297	$ 16,184	$ 4,008	$ 4,095	$ 4,027	$ -	$ 12,130
ADJUSTMENTS :										
CURRENCY IMPACT (1)						$ (119)	$ (118)	$ (41)		$ (279)
COMPARABLE OPERATIONS (1)	$ 3,946	$ 4,023	$ 3,918	$ 4,297	$ 16,184	$ 4,127	$ 4,213	$ 4,068	$ -	$ 12,409

(1) Medtronic management believes that in order to properly understand Medtronic's short-term and long-term financial trends, investors may wish to consider the impact of foreign currency translation on revenue. In addition, Medtronic management uses results of operations before currency translation to evaluate the operational performance of the Company and as a basis for strategic planning. Investors should consider these non-GAAP measures in addition to, and not as a substitute for, financial performance measures prepared in accordance with GAAP.

Note: The data in this schedule has been intentionally rounded to the nearest million and therefore the quarterly revenue may not sum to the fiscal year to date revenue.

MEDTRONIC, INC.
U.S. REVENUE
(Unaudited)

($ millions)

	FY12 QTR 1	FY12 QTR 2	FY12 QTR 3	FY12 QTR 4	FY12 Total	FY13 QTR 1	FY13 QTR 2	FY13 QTR 3	FY13 QTR 4	FY13 Total
REPORTED REVENUE :										
CARDIAC RHYTHM DISEASE MANAGEMENT	$ 649	$ 667	$ 619	$ 650	$ 2,584	$ 623	$ 645	$ 595	$ -	$ 1,864
Defibrillation Systems	411	423	396	417	1,647	399	411	383	-	1,194
Pacing Systems	217	220	197	205	838	196	202	182	-	580
AF & Other	21	24	26	28	99	28	32	30	-	90
CORONARY	$ 90	$ 85	$ 82	$ 125	$ 383	$ 144	$ 139	$ 134	$ -	$ 417
STRUCTURAL HEART	$ 100	$ 98	$ 97	$ 103	$ 398	$ 102	$ 102	$ 96	$ -	$ 299
ENDOVASCULAR	$ 76	$ 81	$ 79	$ 87	$ 322	$ 81	$ 83	$ 77	$ -	$ 241
CARDIAC & VASCULAR GROUP	$ 915	$ 931	$ 877	$ 965	$ 3,687	$ 950	$ 969	$ 902	$ -	$ 2,821
SPINE	$ 589	$ 599	$ 555	$ 557	$ 2,300	$ 558	$ 549	$ 522	$ -	$ 1,631
Core Spine	429	450	426	431	1,736	430	430	422	-	1,284
BMP	160	149	129	126	564	128	119	100	-	347
NEUROMODULATION	$ 272	$ 295	$ 287	$ 315	$ 1,170	$ 295	$ 324	$ 309	$ -	$ 927
DIABETES	$ 214	$ 228	$ 226	$ 238	$ 906	$ 215	$ 229	$ 223	$ -	$ 666
SURGICAL TECHNOLOGIES	$ 156	$ 184	$ 200	$ 224	$ 765	$ 209	$ 218	$ 215	$ -	$ 642
RESTORATIVE THERAPIES GROUP	$ 1,231	$ 1,306	$ 1,268	$ 1,334	$ 5,141	$ 1,277	$ 1,320	$ 1,269	$ -	$ 3,866
TOTAL CONTINUING OPERATIONS	$ 2,146	$ 2,237	$ 2,145	$ 2,299	$ 8,828	$ 2,227	$ 2,289	$ 2,171	$ -	$ 6,687
ADJUSTMENTS :										
CURRENCY IMPACT						$ -	$ -	$ -	$ -	$ -
COMPARABLE OPERATIONS	$ 2,146	$ 2,237	$ 2,145	$ 2,299	$ 8,828	$ 2,227	$ 2,289	$ 2,171	$ -	$ 6,687

Note: The data in this schedule has been intentionally rounded to the nearest million and therefore the quarterly revenues may not sum to the fiscal year to date revenue.

MEDTRONIC, INC.
INTERNATIONAL REVENUE
(Unaudited)

($ millions)

	FY12 QTR 1	FY12 QTR 2	FY12 QTR 3	FY12 QTR 4	FY12 Total	FY13 QTR 1	FY13 QTR 2	FY13 QTR 3	FY13 QTR 4	FY13 Total
REPORTED REVENUE :										
CARDIAC RHYTHM DISEASE MANAGEMENT	$ 604	$ 601	$ 573	$ 645	$ 2,423	$ 570	$ 582	$ 576	$ -	$ 1,727
Defibrillation Systems	286	285	278	327	1,175	276	278	271	-	825
Pacing Systems	291	291	270	287	1,140	267	278	277	-	821
AF & Other	27	25	25	31	108	27	26	28	-	81
CORONARY	$ 299	$ 291	$ 300	$ 325	$ 1,215	$ 289	$ 290	$ 311	$ -	$ 890
STRUCTURAL HEART	$ 175	$ 168	$ 168	$ 186	$ 696	$ 178	$ 169	$ 176	$ -	$ 524
ENDOVASCULAR	$ 110	$ 107	$ 111	$ 132	$ 461	$ 128	$ 127	$ 135	$ -	$ 390
CARDIAC & VASCULAR GROUP	$ 1,188	$ 1,167	$ 1,152	$ 1,288	$ 4,795	$ 1,165	$ 1,168	$ 1,198	$ -	$ 3,531
SPINE	$ 236	$ 240	$ 229	$ 261	$ 967	$ 228	$ 233	$ 231	$ -	$ 689
Core Spine	222	225	214	246	907	215	219	217	-	648
BMP	14	15	15	15	60	13	14	14	-	41
NEUROMODULATION	$ 125	$ 126	$ 132	$ 148	$ 530	$ 124	$ 130	$ 138	$ -	$ 393
DIABETES	$ 141	$ 139	$ 141	$ 154	$ 575	$ 149	$ 149	$ 154	$ -	$ 453
SURGICAL TECHNOLOGIES	$ 110	$ 114	$ 119	$ 147	$ 489	$ 115	$ 126	$ 135	$ -	$ 377
RESTORATIVE THERAPIES GROUP	$ 612	$ 619	$ 621	$ 710	$ 2,561	$ 616	$ 638	$ 658	$ -	$ 1,912
TOTAL CONTINUING OPERATIONS	$ 1,800	$ 1,786	$ 1,773	$ 1,998	$ 7,356	$ 1,781	$ 1,806	$ 1,856	$ -	$ 5,443
ADJUSTMENTS :										
CURRENCY IMPACT (1)						$ (119)	$ (118)	$ (41)	$ -	$ (279)
COMPARABLE OPERATIONS (1)	$ 1,800	$ 1,786	$ 1,773	$ 1,998	$ 7,356	$ 1,900	$ 1,924	$ 1,897	$ -	$ 5,722

(1) Medtronic management believes that in order to properly understand Medtronic's short-term and long-term financial trends, investors may wish to consider the impact of foreign currency translation on revenue. In addition, Medtronic management uses results of operations before currency translation to evaluate the operational performance of the Company and as a basis for strategic planning. Investors should consider these non-GAAP measures in addition to, and not as a substitute for, financial performance measures prepared in accordance with GAAP.

Note: The data in this schedule has been intentionally rounded to the nearest million and therefore the quarterly revenue may not sum to the fiscal year to date revenue.

MEDTRONIC, INC.
CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS
(Unaudited)

	Three months ended		Nine months ended	
	January 25, 2013	January 27, 2012	January 25, 2013	January 27, 2012
	(in millions, except per share data)			
Net sales	$ 4,027	$ 3,918	$ 12,130	$ 11,887
Costs and expenses:				
Cost of products sold	999	931	2,992	2,842
Research and development expense	376	364	1,148	1,097
Selling, general, and administrative expense	1,401	1,371	4,223	4,161
Certain litigation charges, net	-	-	245	-
Acquisition-related items	(55)	15	(44)	(1)
Amortization of intangible assets	88	84	247	255
Other expense, net	17	67	119	316
Interest expense, net	46	33	103	103
Total costs and expenses	2,872	2,865	9,033	8,773
Earnings from continuing operations before income taxes	1,155	1,053	3,097	3,114
Provision for income taxes	167	208	599	587
Earnings from continuing operations	988	845	2,498	2,527
Discontinued operations, net of tax:				
Earnings from operations of Physio-Control	-	15	-	32
Physio-Control divestiture-related costs	-	(9)	-	(17)
Deferred income tax benefit on sale	-	84	-	84
Earnings from discontinued operations	-	90	-	99
Net earnings	$ 988	$ 935	$ 2,498	$ 2,626
Basic earnings per share				
Earnings from continuing operations	$ 0.98	$ 0.80	$ 2.45	$ 2.39
Net earnings	$ 0.98	$ 0.89	$ 2.45	$ 2.48
Diluted earnings per share				
Earnings from continuing operations	$ 0.97	$ 0.80	$ 2.43	$ 2.37
Net earnings	$ 0.97	$ 0.88	$ 2.43	$ 2.47
Basic weighted average shares outstanding	1,012.5	1,054.4	1,020.7	1,058.5
Diluted weighted average shares outstanding	1,021.0	1,060.2	1,028.7	1,064.1
Cash dividends declared per common share	$ 0.2600	$ 0.2425	$ 0.7800	$ 0.7275

MEDTRONIC, INC.

RECONCILIATION OF CONSOLIDATED GAAP NET EARNINGS
TO CONSOLIDATED NON-GAAP NET EARNINGS

(Unaudited)

(in millions, except per share data)

	Three months ended		
	January 25, 2013	January 27, 2012	Percentage Change
Net earnings, as reported	$ 988	$ 935	6%
Certain acquisition-related items	(57)(a)	15 (c)	
Physio-Control divestiture-related items	-	(75)(d)	
Impact of authoritative convertible debt guidance on interest expense, net	15 (b)	13 (b)	
Non-GAAP net earnings	$ 946	$ 888 (e)	7%

MEDTRONIC, INC.
RECONCILIATION OF CONSOLIDATED GAAP DILUTED EPS
TO CONSOLIDATED NON-GAAP DILUTED EPS
(Unaudited)

	Three months ended		
	January 25, 2013	January 27, 2012	Percentage Change
Diluted EPS, as reported	$ 0.97	$ 0.88	10%
Certain acquisition-related items	(0.06)(a)	0.01 (c)	
Physio-Control divestiture-related items	-	(0.07)(d)	
Impact of authoritative convertible debt guidance on interest expense, net	0.01 (b)	0.01 (b)	
Non-GAAP diluted EPS	$ 0.93 (1)	$ 0.84 (1)(e)	11%

(1) The data in this schedule has been intentionally rounded to the nearest $0.01, and therefore, may not sum.

(a) The $57 million ($0.06 per share) after-tax ($55 million pre-tax) certain acquisition-related items, net gain includes $70 million after-tax ($70 million pre-tax) net income related to the change in fair value of contingent milestone payments associated with acquisitions subsequent to April 29, 2009, $10 million after-tax ($10 million pre-tax) of certain acquisition-related costs from the November 2012 acquisition of China Kanghui Holdings, and a $3 million after-tax ($5 million pre-tax) IPR&D impairment charge related to a recent acquisition in the Structural Heart business. The change in fair value of contingent milestone payments is primarily related to the change in fair value of Ardian, Inc. contingent commercial milestone payments, which are based on annual revenue growth through fiscal year 2015, due to current slower commercial ramp in Europe and protracted U.S. regulatory process. The certain acquisition-related costs from the acquisition of China Kanghui Holdings included banker, legal, and other professional service fees. In addition to disclosing certain acquisition-related items that are determined in accordance with U.S. generally accepted accounting principles (U.S. GAAP), Medtronic management believes that in order to properly understand its short-term and long-term financial trends, investors may find it useful to consider the impact of excluding these certain acquisition-related items. Management believes that the resulting non-GAAP financial measure provides useful information to investors regarding the underlying business trends and performance of the Company's ongoing operations and is useful for period over period comparisons of such operations. Medtronic management eliminates these certain acquisition-related items when evaluating the operating performance of the Company. Investors should consider this non-GAAP measure in addition to, and not as a substitute for, financial performance measures prepared in accordance with U.S. GAAP. In addition, this non-GAAP financial measure may not be the same or similar to measures presented by other companies.

(b) The Financial Accounting Standards Board (FASB) authoritative guidance for convertible debt accounting has resulted in an after-tax impact to net earnings of $15 million ($0.01 per share) and $13 million ($0.01 per share) for the three months ended January 25, 2013 and January 27, 2012, respectively. The pre-tax impact to interest expense, net was $23 million and $21 million for the three months ended January 25, 2013 and January 27, 2012, respectively. In addition to disclosing the financial statement impact of this authoritative guidance that is determined in accordance with U.S. GAAP, Medtronic management believes that in order to properly understand its short-term and long-term financial trends, investors may find it useful to consider the impact of excluding this authoritative guidance. Management believes that the resulting non-GAAP financial measure provides useful information to investors regarding the underlying business trends and performance of the Company's ongoing operations and is useful for period over period comparisons of such operations. Medtronic management eliminates the impact of this authoritative guidance when evaluating the operating performance of the Company. Investors should consider this non-GAAP measure in addition to, and not as a substitute for, financial performance measures prepared in accordance with U.S. GAAP. In addition, this non-GAAP financial measure may not be the same or similar to measures presented by other companies.

(c) The $15 million ($0.01per share) after-tax ($15 million pre-tax) certain acquisition-related items include charges related to the change in fair value of contingent milestone payments associated with acquisitions subsequent to April 29, 2009. In addition to disclosing certain acquisition-related items that are determined in accordance with U.S. GAAP, Medtronic management believes that in order to properly understand its short-term and long-term financial trends, investors may find it useful to consider the impact of excluding these certain acquisition-related items. Management believes that the resulting non-GAAP financial measure provides useful information to investors regarding the underlying business trends and performance of the Company's ongoing operations and is useful for period over period comparisons of such operations. Medtronic management eliminates these certain acquisition-related items when evaluating the operating performance of the Company. Investors should consider this non-GAAP measure in addition to, and not as a substitute for, financial performance measures prepared in accordance with U.S. GAAP. In addition, this non-GAAP financial measure may not be the same or similar to measures presented by other companies.

(d) The $75 million ($0.07 per share) after-tax ($12 million pre-tax expense) net benefit from Physio-Control divestiture-related items include an $84 million deferred income tax benefit partially offset by $9 million after-tax ($12 million pre-tax) of transaction costs. The deferred income tax benefit was recorded in accordance with U.S. GAAP as the Company was required to establish a deferred tax asset on the difference between its tax and book basis in the shares of Physio-Control, up to the expected amount of gain, at the point in time the Company classified Physio-Control as held for sale in the third quarter of fiscal year 2012. In the fourth quarter of fiscal year 2012 when the Company recorded the Physio-Control disposition, the Company wrote-off the deferred tax asset with a corresponding deferred income tax expense. In addition to disclosing Physio-Control divestiture-related items that are determined in accordance with U.S. GAAP, Medtronic management believes that in order to properly understand its short-term and long-term financial trends, investors may find it useful to consider the impact of excluding Physio-Control divestiture-related items. Management believes that the resulting non-GAAP financial measure provides useful information to investors regarding the underlying business trends and performance of the Company's ongoing operations and is useful for period over period comparisons of such operations. Medtronic management eliminates Physio-Control divestiture-related items when evaluating the operating performance of the Company. Investors should consider this non-GAAP measure in addition to, and not as a substitute for, financial performance measures prepared in accordance with U.S. GAAP. In addition, this non-GAAP financial measure may not be the same or similar to measures presented by other companies.

(e) Included in our non-GAAP net earnings is $15 million ($0.01 per share) after-tax ($23 million pre-tax) income from the operations of the Physio-Control business for the three months ended January 27, 2012, which is included in earnings from discontinued operations on our condensed consolidated statements of earnings. The Company has included this income in its non-GAAP net earnings as the disposition did not occur until the fourth quarter of fiscal year 2012 and thus the income was earned through the operations of the Company. Medtronic management believes that in order to properly understand its short-term and long-term financial trends, investors may find it useful to consider the net impact of including the operating income of the Physio-Control business. Management believes that the resulting non-GAAP financial measure provides useful information to investors regarding the underlying business trends and performance of the Company's ongoing operations and is useful for period over period comparisons of such operations. Investors should consider this non-GAAP measure in addition to, and not as a substitute for, financial performance measures prepared in accordance with U.S. GAAP. In addition, this non-GAAP financial measure may not be the same or similar to measures presented by other companies.

MEDTRONIC, INC.

RECONCILIATION OF CONSOLIDATED GAAP NET EARNINGS
TO CONSOLIDATED NON-GAAP NET EARNINGS

(Unaudited)

(in millions, except per share data)

	Nine months ended		
	January 25, 2013	January 27, 2012	Percentage Change
Net earnings, as reported	$ 2,498	$ 2,626	-5%
Certain litigation charges, net	235 (a)	-	
Certain acquisition-related items	(46)(b)	32 (d)	
Physio-Control divestiture-related items	-	(67)(e)	
Impact of authoritative convertible debt guidance on interest expense, net	44 (c)	39 (c)	
Non-GAAP net earnings	$ 2,731	$ 2,630 (f)	4%

MEDTRONIC, INC.

RECONCILIATION OF CONSOLIDATED GAAP DILUTED EPS
TO CONSOLIDATED NON-GAAP DILUTED EPS

(Unaudited)

	Nine months ended (2)		
	January 25, 2013	January 27, 2012	Percentage Change
Diluted EPS, as reported	$ 2.43	$ 2.47	-2%
Certain litigation charges, net	0.23 (a)	-	
Certain acquisition-related items	(0.04)(b)	0.03 (d)	
Physio-Control divestiture-related items	-	(0.06)(e)	
Impact of authoritative convertible debt guidance on interest expense, net	0.04 (c)	0.04 (c)	
Non-GAAP diluted EPS	$ 2.65 (1)	$ 2.47 (1)(f)	7%

(1) The data in this schedule has been intentionally rounded to the nearest $0.01, and therefore, may not sum.

(2) The data in this schedule has been intentionally rounded and therefore the first, second, and third quarter data may not sum to the fiscal year to date totals.

(a) The $235 million ($0.23 per share) after-tax ($245 million pre-tax) certain litigation charges, net relates to an accounting charge for probable and reasonably estimable patent litigation with Edwards Lifesciences, Inc. In addition to disclosing certain litigation charges, net that are determined in accordance with U.S. generally accepted accounting principles (U.S. GAAP), Medtronic management believes that in order to properly understand its short-term and long-term financial trends, investors may find it useful to consider the impact of excluding these certain litigation charges. Management believes that the resulting non-GAAP financial measure provides useful information to investors regarding the underlying business trends and performance of the Company's ongoing operations and is useful for period over period comparisons of such operations. Medtronic management eliminates these certain litigation charges when evaluating the operating performance of the Company. Investors should consider this non-GAAP measure in addition to, and not as a substitute for, financial performance measures prepared in accordance with U.S. GAAP. In addition, this non-GAAP financial measure may not be the same or similar to measures presented by other companies.

(b) The $46 million ($0.04 per share) after-tax ($44 million pre-tax) certain acquisition-related items, net gain includes $67 million after-tax ($67 million pre-tax) net income related to the change in fair value of contingent milestone payments associated with acquisitions subsequent to April 29, 2009, $13 million after-tax ($13 million pre-tax) of certain acquisition-related costs from the November 2012 acquisition of China Kanghui Holdings, a $5 million after-tax ($5 million pre-tax) net charge for an adjustment of transaction costs related to the divestiture of the Physio-Control business that occurred in the fourth quarter of fiscal year 2012, and a $3 million after-tax ($5 million pre-tax) IPR&D impairment charge related to a recent acquisition in the Structural Heart business. The change in fair value of contingent milestone payments is primarily related to the change in fair value of Ardian, Inc. contingent commercial milestone payments, which are based on annual revenue growth through fiscal year 2015, due to current slower commercial ramp in Europe and protracted U.S. regulatory process. The certain acquisition-related costs from the acquisition of China Kanghui

Holdings included banker, legal, and other professional service fees. In addition to disclosing certain acquisition-related items that are determined in accordance with U.S. GAAP, Medtronic management believes that in order to properly understand its short-term and long-term financial trends, investors may find it useful to consider the impact of excluding these certain acquisition-related items. Management believes that the resulting non-GAAP financial measure provides useful information to investors regarding the underlying business trends and performance of the Company's ongoing operations and is useful for period over period comparisons of such operations. Medtronic management eliminates these certain acquisition-related items when evaluating the operating performance of the Company. Investors should consider this non-GAAP measure in addition to, and not as a substitute for, financial performance measures prepared in accordance with U.S. GAAP. In addition, this non-GAAP financial measure may not be the same or similar to measures presented by other companies.

(c) The Financial Accounting Standards Board (FASB) authoritative guidance for convertible debt accounting has resulted in an after-tax impact to net earnings of $44 million ($0.04 per share) and $39 million ($0.04 per share) for the nine months ended January 25, 2013 and January 27, 2012, respectively. The pre-tax impact to interest expense, net was $69 million and $63 million for the nine months ended January 25, 2013 and January 27, 2012, respectively. In addition to disclosing the financial statement impact of this authoritative guidance that is determined in accordance with U.S. GAAP, Medtronic management believes that in order to properly understand its short-term and long-term financial trends, investors may find it useful to consider the impact of excluding this authoritative guidance. Management believes that the resulting non-GAAP financial measure provides useful information to investors regarding the underlying business trends and performance of the Company's ongoing operations and is useful for period over period comparisons of such operations. Medtronic management eliminates the impact of this authoritative guidance when evaluating the operating performance of the Company. Investors should consider this non-GAAP measure in addition to, and not as a substitute for, financial performance measures prepared in accordance with U.S. GAAP. In addition, this non-GAAP financial measure may not be the same or similar to measures presented by other companies.

(d) The $32 million ($0.03 per share) after-tax ($32 million pre-tax) certain acquisition-related items include charges related to the change in fair value of contingent milestone payments associated with acquisitions subsequent to April 29, 2009. In addition to disclosing certain acquisition-related items that are determined in accordance with U.S. GAAP, Medtronic management believes that in order to properly understand its short-term and long-term financial trends, investors may find it useful to consider the impact of excluding these certain acquisition-related items. Management believes that the resulting non-GAAP financial measure provides useful information to investors regarding the underlying business trends and performance of the Company's ongoing operations and is useful for period over period comparisons of such operations. Medtronic management eliminates these certain acquisition-related items when evaluating the operating performance of the Company. Investors should consider this non-GAAP measure in addition to, and not as a substitute for, financial performance measures prepared in accordance with U.S. GAAP. In addition, this non-GAAP financial measure may not be the same or similar to measures presented by other companies.

(e) The $67 million ($0.06 per share) after-tax ($24 million pre-tax expense) net benefit from Physio-Control divestiture-related items include an $84 million deferred income tax benefit partially offset by $17 million after-tax ($24 million pre-tax) of transaction costs. The deferred income tax benefit was recorded in accordance with U.S. GAAP as the Company was required to establish a deferred tax asset up to the expected amount of gain, at the point in time the Company classified Physio-Control as held for sale in the third quarter of fiscal year 2012. In the fourth quarter of fiscal year 2012 when the Company recorded the Physio-Control disposition, the Company wrote-off the deferred tax asset with a corresponding deferred income tax expense. In addition to disclosing Physio-Control divestiture-related items that are determined in accordance with U.S. GAAP, Medtronic management believes that in order to properly understand its short-term and long-term financial trends, investors may find it useful to consider the impact of excluding Physio-Control divestiture-related items. Management believes that the resulting non-GAAP financial measure provides useful information to investors regarding the underlying business trends and performance of the Company's ongoing operations and is useful for period over period comparisons of such operations. Medtronic management eliminates Physio-Control divestiture-related items when evaluating the operating performance of the Company. Investors should consider this non-GAAP measure in addition to, and not as a substitute for, financial performance measures prepared in accordance with U.S. GAAP. In addition, this non-GAAP financial measure may not be the same or similar to measures presented by other companies.

(f) Included in our non-GAAP net earnings is $32 million ($0.03 per share) after-tax ($48 million pre-tax) income from the operations of the Physio-Control business for the nine months ended January 27, 2012, which is included in earnings from discontinued operations on our condensed consolidated statements of earnings. The Company has included this income in its non-GAAP net earnings as the disposition did not occur until the fourth quarter of fiscal year 2012 and thus the income was earned through the operations of the Company. Additionally, included in our non-GAAP net earnings for the nine months ended January 27, 2012 is a $5 million after-tax ($5 million pre-tax) charge for transaction costs incurred related to the acquisitions of Salient Surgical Technologies, Inc. (Salient) and PEAK Surgical, Inc. (PEAK), and a non-cash gain of $38 million after-tax ($38 million pre-tax) related to previously held investments in Salient and PEAK, which are included in acquisition-related items on our condensed consolidated statements of earnings. The Company has included these items in its non-GAAP net earnings to offset the dilution to fiscal year 2012 net earnings in the second-half of the fiscal year from Salient and PEAK operations. Medtronic management believes that in order to properly understand its short-term and long-term financial trends, investors may find it useful to consider the net impact of including the operating income of the Physio-Control business and the net impact of the Salient and PEAK acquisitions. Management believes that the resulting non-GAAP financial measure provides useful information to investors regarding the underlying business trends and performance of the Company's ongoing operations and is useful for period over period comparisons of such operations. Investors should consider this non-GAAP measure in addition to, and not as a substitute for, financial performance measures prepared in accordance with U.S. GAAP. In addition, this non-GAAP financial measure may not be the same or similar to measures presented by other companies.

MEDTRONIC, INC.
RECONCILIATION OF WORLDWIDE REVENUE GROWTH TO CONSTANT CURRENCY GROWTH
(Unaudited)
(in millions)

	Three months ended			Currency Impact on Growth (a)		Constant
	January 25, 2013	January 27, 2012	Reported Growth	Dollar	Percentage	Currency Growth (a)
Reported Revenue:						
Defibrillation Systems	$ 654	$ 674	(3)%	$ (7)	(1)%	(2)%
Pacing Systems	459	467	(2)	(6)	(2)	-
AF & Other	58	51	14	(1)	(2)	16
Cardiac Rhythm Disease Management	1,171	1,192	(2)	(14)	(1)	(1)
Coronary	445	382	16	(8)	(3)	19
Structural Heart	272	265	3	(4)	(1)	4
Endovascular	212	190	12	(4)	(2)	14
Cardiac & Vascular Group	2,100	2,029	3	(30)	(2)	5
Core Spine	639	640	-	(4)	-	-
BMP	114	144	(21)	-	-	(21)
Spine	753	784	(4)	(4)	(1)	(3)
Neuromodulation	447	419	7	(3)	-	7
Diabetes	377	367	3	(2)	-	3
Surgical Technologies	350	319	10	(2)	-	10
Restorative Therapies Group	1,927	1,889	2	(11)	(1)	3
Total	$ 4,027	$ 3,918	3 %	$ (41)	(1)%	4 %

(a) Medtronic management believes that in order to properly understand Medtronic's short-term and long-term financial trends, investors may wish to consider the impact of foreign currency translation on revenue. In addition, Medtronic management uses results of operations before currency translation to evaluate the operational performance of the Company and as a basis for strategic planning. Investors should consider these non-GAAP measures in addition to, and not as a substitute for, financial performance measures prepared in accordance with U.S. GAAP.

MEDTRONIC, INC.

RECONCILIATION OF INTERNATIONAL REVENUE GROWTH TO CONSTANT CURRENCY GROWTH

(Unaudited)

(in millions)

	Three months ended			Currency Impact on Growth (a)		
	January 25, 2013	January 27, 2012	Reported Growth	Dollar	Percentage	Constant Currency Growth (a)
Reported Revenue:						
Defibrillation Systems	$ 271	$ 278	(3)%	$ (7)	(3)%	- %
Pacing Systems	277	270	3	(6)	(2)	5
AF & Other	28	25	12	(1)	(4)	16
Cardiac Rhythm Disease Management	576	573	1	(14)	(2)	3
Coronary	311	300	4	(8)	(2)	6
Structural Heart	176	168	5	(4)	(2)	7
Endovascular	135	111	22	(4)	(3)	25
Cardiac & Vascular Group	1,198	1,152	4	(30)	(3)	7
Core Spine	217	214	1	(4)	(2)	3
BMP	14	15	(7)	-	-	(7)
Spine	231	229	1	(4)	(2)	3
Neuromodulation	138	132	5	(3)	(2)	7
Diabetes	154	141	9	(2)	(2)	11
Surgical Technologies	135	119	13	(2)	(2)	15
Restorative Therapies Group	658	621	6	(11)	(2)	8
Total	$ 1,856	$ 1,773	5 %	$ (41)	(2)%	7 %

(a) Medtronic management believes that in order to properly understand Medtronic's short-term and long-term financial trends, investors may wish to consider the impact of foreign currency translation on revenue. In addition, Medtronic management uses results of operations before currency translation to evaluate the operational performance of the Company and as a basis for strategic planning. Investors should consider these non-GAAP measures in addition to, and not as a substitute for, financial performance measures prepared in accordance with U.S. GAAP.

MEDTRONIC, INC.

RECONCILIATION OF EMERGING MARKET REVENUE GROWTH TO CONSTANT CURRENCY GROWTH

(Unaudited)

(in millions)

	Three months ended			Currency Impact on Growth (a)		Constant Currency Growth (a)
	January 25, 2013	**January 27, 2012**	**Reported Growth**	**Dollar**	**Percentage**	
Emerging Market Revenue (b)	$ 475	$ 395	20 %	$ (3)	(1)%	21 %

(a) Medtronic management believes that in order to properly understand Medtronic's short-term and long-term financial trends, investors may wish to consider the impact of foreign currency translation on revenue. In addition, Medtronic management uses results of operations before currency translation to evaluate the operational performance of the Company and as a basis for strategic planning. Investors should consider these non-GAAP measures in addition to, and not as a substitute for, financial performance measures prepared in accordance with U.S. GAAP.

(b) Emerging Market Revenue includes revenues from Asia Pacific (except Australia, Japan, Korea, and New Zealand), Central and Eastern Europe, Greater China, Latin America, the Middle East and Africa, and South Asia.

MEDTRONIC, INC.
RECONCILIATION OF OPERATING CASH FLOW TO FREE CASH FLOW
(Unaudited)
(in millions)

	Nine months ended January 25, 2013	Six months ended October 26, 2012	Three months ended January 25, 2013
Net cash provided by operating activities	$ 3,696	$ 2,167	$ 1,529
Additions to property, plant, and equipment	(336)	(211)	(125)
Free cash flow (a)	$ 3,360	$ 1,956	$ 1,404

(a) Medtronic management believes that in order to properly understand Medtronic's short-term and long-term financial trends, investors may wish to consider free cash flow. In addition, Medtronic management uses free cash flow to evaluate operational performance of the Company and as a basis for strategic planning. Investors should consider these non-GAAP measures in addition to, and not as a substitute for, financial performance measures prepared in accordance with U.S. GAAP. Medtronic calculates free cash flow by subtracting property, plant, and equipment additions from operating cash flows.

MEDTRONIC, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

	January 25, 2013	April 27, 2012
	(in millions, except per share data)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 1,298	$ 1,248
Short-term investments	1,166	1,344
Accounts receivable, less allowances of $106 and $100, respectively	3,532	3,808
Inventories	1,889	1,800
Deferred tax assets, net	552	640
Prepaid expenses and other current assets	712	675
Total current assets	9,149	9,515
Property, plant, and equipment	6,136	5,796
Accumulated depreciation	(3,634)	(3,323)
Property, plant, and equipment, net	2,502	2,473
Goodwill	10,341	9,934
Other intangible assets, net	2,758	2,647
Long-term investments	9,321	7,705
Long-term deferred tax assets, net	496	504
Other assets	382	305
Total assets	$ 34,949	$ 33,083
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Short-term borrowings	$ 4,104	$ 3,274
Accounts payable	569	565
Accrued compensation	864	912
Accrued income taxes	207	65
Deferred tax liabilities, net	10	33
Other accrued expenses	1,204	1,008
Total current liabilities	6,958	5,857
Long-term debt	7,314	7,359
Long-term accrued compensation and retirement benefits	838	759
Long-term accrued income taxes	1,002	1,005
Long-term deferred tax liabilities, net	639	611
Other long-term liabilities	362	379
Total liabilities	17,113	15,970
Commitments and contingencies		
Shareholders' equity:		
Preferred stock— par value $1.00	—	—
Common stock— par value $0.10	101	104
Retained earnings	18,207	17,482
Accumulated other comprehensive loss	(472)	(473)
Total shareholders' equity	17,836	17,113
Total liabilities and shareholders' equity	$ 34,949	$ 33,083

MEDTRONIC, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Nine months ended	
	January 25, 2013	**January 27, 2012**
	(in millions)	
Operating Activities:		
Net earnings	$ 2,498	$ 2,626
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	610	633
Amortization of discount on senior convertible notes	69	63
Acquisition-related items	(67)	32
Provision for doubtful accounts	34	49
Deferred income taxes	39	(181)
Stock-based compensation	119	124
Change in operating assets and liabilities, net of effect of acquisitions:		
Accounts receivable, net	255	(124)
Inventories	(58)	(202)
Accounts payable and accrued liabilities	(25)	74
Other operating assets and liabilities	68	571
Certain litigation charges, net	245	—
Certain litigation payments	(91)	(239)
Net cash provided by operating activities	3,696	3,426
Investing Activities:		
Acquisitions, net of cash acquired	(820)	(556)
Additions to property, plant, and equipment	(336)	(374)
Purchases of marketable securities	(7,746)	(5,714)
Sales and maturities of marketable securities	6,396	4,495
Other investing activities, net	(4)	(32)
Net cash used in investing activities	(2,510)	(2,181)
Financing Activities:		
Acquisition-related contingent consideration	(17)	(62)
Change in short-term borrowings, net	766	222
Payments on long-term debt	(10)	(24)
Dividends to shareholders	(797)	(769)
Issuance of common stock	158	67
Repurchase of common stock	(1,247)	(780)
Net cash used in financing activities	(1,147)	(1,346)
Effect of exchange rate changes on cash and cash equivalents	11	(91)
Net change in cash and cash equivalents	50	(192)
Cash and cash equivalents at beginning of period	1,248	1,382
Cash and cash equivalents at end of period	$ 1,298	$ 1,190
Supplemental Cash Flow Information		
Cash paid for:		
Income taxes	$ 422	$ 226
Interest	226	197