

## FINANCIAL SCHEDULES AND NON-GAAP RECONCILIATIONS

These non-GAAP financial measures should be considered supplemental to, and not a substitute for, financial information prepared in accordance with generally accepted accounting principles (GAAP). The company's definition of these non-GAAP measures may not be the same or similar to measures presented by other companies.

Medtronic management believes that in order to properly understand its short-term and long-term financial trends, investors may find it useful to consider aligning historical Covidien revenues to Medtronic's fiscal calendar and to exclude the effect of certain charges or gains that contribute to or reduce earnings but that result from transactions or events that management believes may or may not recur with similar materiality or impact to operations in future periods (Non-GAAP Adjustments). The company generally uses these non-GAAP financial measures to facilitate management's review of the operational performance of the company and as a basis for strategic planning. Management believes that the resulting non-GAAP financial measures provide useful information to investors regarding the underlying business trends and performance of the company's ongoing operations and are useful for period over period comparisons of such operations. These non-GAAP financial measures reflect an additional way of viewing aspects of the company's operations that, when viewed with GAAP results and the reconciliations to corresponding GAAP financial measures, may provide a more complete understanding of factors and trends affecting Medtronic's business.

Because non-GAAP financial measures exclude the effect of items that will increase or decrease the company's reported results of operations, management strongly encourages investors to review the company's consolidated financial statements and publicly filed reports in their entirety. Reconciliations of the non-GAAP financial measures to the most directly comparable GAAP financial measures are included herein.

**MEDTRONIC PLC**  
**RECONCILIATION OF INTEREST EXPENSE, NET TO NON-GAAP INTEREST EXPENSE, NET**  
(Unaudited)  
Fiscal year ended April 29, 2016

<b>GAAP Interest Expense, Net</b>	\$	955
Non-GAAP Adjustments: (1)		
Debt tender premium (a)		(183)
Loss on previously held forward starting interest rate swaps (b)	\$	(45)
<b>Non-GAAP Interest Expense, Net</b>		<u>727</u>

- (1) Non-GAAP adjustments relate to charges or gains that management believes may or may not recur with similar materiality or impact on results in future periods.
- (a) The \$183 million pre-tax charge was recorded in connection with the cash tender offer of certain outstanding debt securities issued by Medtronic, Inc. and Covidien International Finance S.A. The charge was recorded in *interest expense, net* in the condensed consolidated statements of income.
- (b) Relates to losses incurred from the unwinding of forward starting interest rate swaps, which were previously entered into in advance of a planned debt issuance that is no longer expected post the second quarter internal reorganization. The losses were recorded in *interest expense, net* in the condensed consolidated statements of income.

MEDTRONIC PLC  
RECONCILIATION OF WORLDWIDE REVENUE GROWTH TO CONSTANT CURRENCY GROWTH  
(Unaudited)  
(in millions)

	Revenue	Reported Growth	Currency Impact on Growth	Constant Currency Growth
Q4 FY16	\$ 7,567	4.0%	\$ (179)	6.0%
Q3 FY16 <sup>(1)</sup>	6,934	61.0%	(344)	6.0%
Q2 FY16 <sup>(1)</sup>	7,058	62.0%	(452)	6.0%
Q1 FY16 <sup>(1)(2)</sup>	7,274	70.0%	(529)	6.0%
Q4 FY15 <sup>(1)</sup>	7,304	60.0%	(483)	7.0%
Q3 FY15	4,318	3.7%	(158)	7.5%
Q2 FY15	4,366	4.1%	(38)	5.0%
Q1 FY15	4,273	5.0%	34	4.0%
Q4 FY14	4,566	2.4%	(39)	3.3%
Q3 FY14	4,163	3.4%	(41)	4.4%
Q2 FY14	4,194	2.4%	(38)	3.3%
Q1 FY14	4,083	2.0%	(55)	3.0%
Q4 FY13	4,459	4.0%	(48)	5.0%
Q3 FY13	4,027	3.0%	(41)	4.0%
Q2 FY13	4,095	2.0%	(118)	5.0%
Q1 FY13	4,008	2.0%	(119)	5.0%
Q4 FY12	4,297	3.0%	(42)	4.0%
Q3 FY12	3,918	2.0%	13	1.0%
Q2 FY12	4,132	6.0%	123	3.0%
Q1 FY12	4,049	7.0%	186	2.0%
Q4 FY11	4,295	2.0%	83	0.0%
Q3 FY11	3,961	3.0%	(22)	3.0%
Q2 FY11	3,903	2.0%	(29)	2.0%
Q1 FY11	3,773	-4.0%	(21)	-4.0%

(1) Non-GAAP constant currency growth presented on a comparable basis.

(2) Fiscal year 2016 is a 53-week year, with the extra week included in these first quarter results. While it is difficult to calculate the exact impact for the extra week, the Company estimates that it benefited first quarter comparable, constant currency growth by approximately 6 percentage points, which has been removed from the constant currency growth percentage.

**MEDTRONIC PLC**  
**WORLD WIDE REVENUE**  
(Unaudited)

(in millions)	FOURTH QUARTER AS REPORTED			FOURTH QUARTER CONSTANT CURRENCY ADJUSTED				FISCAL YEAR AS REPORTED			FISCAL YEAR COMPARABLE HISTORICAL (5)			
	FY16 Q4	FY15 Q4	Reported Growth	FY16 Q4	FY15 Q4	Currency Impact on Growth (6)	Constant Currency Growth (3)	FY16 Total	FY15 Total	Reported Growth	FY16 Total	FY15 Total (4)	Currency Impact on Growth (6)	Comparable Constant Currency Growth (1)(2)
<b>Cardiac &amp; Vascular Group</b>	<b>\$ 2,736</b>	<b>\$ 2,596</b>	<b>5%</b>	<b>\$ 2,736</b>	<b>\$ 2,596</b>	<b>\$ (67)</b>	<b>8%</b>	<b>\$ 10,196</b>	<b>\$ 9,361</b>	<b>9%</b>	<b>\$ 10,196</b>	<b>\$ 9,854</b>	<b>\$ (576)</b>	<b>9%</b>
Cardiac Rhythm & Heart Failure	1,492	1,398	7	1,492	1,398	(27)	9	5,465	5,245	4	5,465	5,245	(280)	10
Coronary & Structural Heart	816	792	3	816	792	(31)	7	3,093	3,038	2	3,093	3,038	(211)	9
Aortic & Peripheral Vascular	428	406	5	428	406	(9)	8	1,638	1,078	52	1,638	1,571	(85)	10
<b>Minimally Invasive Therapies Group</b>	<b>2,460</b>	<b>2,387</b>	<b>3</b>	<b>2,460</b>	<b>2,387</b>	<b>(70)</b>	<b>6</b>	<b>9,563</b>	<b>2,387</b>	<b>NM</b>	<b>9,563</b>	<b>9,540</b>	<b>(578)</b>	<b>6</b>
Surgical Solutions	1,358	1,293	5	1,358	1,293	(49)	9	5,265	1,293	NM	5,265	5,188	(385)	9
Patient Monitoring & Recovery	1,102	1,094	1	1,102	1,094	(21)	3	4,298	1,094	NM	4,298	4,352	(193)	3
<b>Restorative Therapies Group</b>	<b>1,875</b>	<b>1,854</b>	<b>1</b>	<b>1,875</b>	<b>1,854</b>	<b>(26)</b>	<b>3</b>	<b>7,210</b>	<b>6,751</b>	<b>7</b>	<b>7,210</b>	<b>7,086</b>	<b>(247)</b>	<b>5</b>
Spine	737	743	(1)	737	743	(8)	—	2,924	2,971	(2)	2,924	2,971	(89)	1
Neuromodulation	494	518	(5)	494	518	(7)	(3)	1,926	1,977	(3)	1,926	1,977	(72)	1
Surgical Technologies	485	461	5	485	461	(7)	7	1,773	1,671	6	1,773	1,671	(57)	10
Neurovascular	159	132	20	159	132	(4)	23	587	132	NM	587	467	(29)	32
<b>Diabetes Group</b>	<b>496</b>	<b>467</b>	<b>6</b>	<b>496</b>	<b>467</b>	<b>(16)</b>	<b>10</b>	<b>1,864</b>	<b>1,762</b>	<b>6</b>	<b>1,864</b>	<b>1,762</b>	<b>(101)</b>	<b>12</b>
<b>TOTAL</b>	<b>\$ 7,567</b>	<b>\$ 7,304</b>	<b>4%</b>	<b>\$ 7,567</b>	<b>\$ 7,304</b>	<b>\$ (179)</b>	<b>6%</b>	<b>\$ 28,833</b>	<b>\$ 20,261</b>	<b>42%</b>	<b>\$ 28,833</b>	<b>\$ 28,242</b>	<b>\$ (1,502)</b>	<b>7%</b>

NM - Not meaningful

(1) Fiscal year 2016 is a 53-week year, with the extra week included in these first quarter results. While it is difficult to calculate the exact impact for the extra week, the Company estimates that it benefited fiscal year 2016 comparable, constant currency growth by approximately 1.5 percentage points.

(2) Management believes that referring to comparable, constant currency growth rates is a useful way to evaluate the underlying performance of Medtronic's sales. See description of non-GAAP financial measures at the end of the earnings press release.

(3) Constant currency growth, a non-GAAP financial measure, measures the change in revenue between current and prior year periods using average exchange rates in effect during the applicable prior year period. See description of non-GAAP financial measures at the end of the earnings press release.

(4) Includes Medtronic and Covidien revenue for the twelve months ended April 24, 2015.

(5) Prepared by aligning Covidien's prior year monthly revenue to Medtronic's fiscal quarter.

(6) The quarterly currency impact on growth data in this schedule has been intentionally rounded to the nearest \$1 million and, therefore, may not sum when calculating year-to-date data.

MEDTRONIC PLC  
FISCAL YEAR SELLING, GENERAL, AND ADMINISTRATIVE EXPENSE (SG&A)  
ON A CONSTANT CURRENCY BASIS  
(Unaudited)

**Fiscal year ended April 29, 2016**

<b>(in millions)</b>	<b>Net Sales</b>	<b>SG&amp;A Expense</b>	<b>SG&amp;A Expense as a Percentage of Net Sales</b>
As reported	\$ 28,833	\$ 9,469	32.8%
Foreign currency impact	1,502	451	
Constant currency adjusted	<u>\$ 30,335</u>	<u>\$ 9,920</u>	<u>32.7%</u>

**MEDTRONIC PLC**  
**CARDIAC & VASCULAR GROUP REVENUE**  
(Unaudited)

(in millions)	FISCAL YEAR AS REPORTED			FISCAL YEAR CONSTANT CURRENCY ADJUSTED (1)						
	FY11 Total	FY10 Total	Reported Growth	FY11 Total	FY10 Total	Currency Impact on Growth	Constant Currency Growth (1)	Estimated Q1 FY10 Extra Week Impact on Growth (2)	Constant Currency Extra Week Adjusted Growth (1)(2)	
<b>Cardiac &amp; Vascular Group</b>	\$ 8,544	\$ 8,557	— %	\$ 8,544	\$ 8,557	\$ 4	— %	1%	1%	

(1) Constant currency growth, a non-GAAP financial measure, measures the change in revenue between current and prior year periods using average exchange rates in effect during the applicable prior year period.

(2) Fiscal year 2010 was a 53-week year, with the extra week included in these first quarter results. While it is difficult to calculate the exact impact for the extra week, the Company estimates that it benefited fiscal year 2010 comparable, constant currency growth by approximately 1 percentage point.

MEDTRONIC PLC  
RECONCILIATION OF DILUTED EPS TO NON-GAAP DILUTED EPS  
(Unaudited)

	<b>FY11</b>	<b>FY12</b>	<b>FY13</b>	<b>FY14</b>	<b>FY15</b>	<b>FY16</b>
Diluted EPS	\$ 2.86	\$ 3.41	\$ 3.37	\$ 3.02	\$ 2.41	\$ 2.48
Non-GAAP adjustments	0.51	0.05	0.38	1.02	1.87	1.89
Non-GAAP diluted EPS	\$ 3.37	\$ 3.46	\$ 3.75	\$ 4.04	\$ 4.28	\$ 4.37

MEDTRONIC PLC  
RECONCILIATION OF PAYOUT RATIO TO NON-GAAP PAYOUT RATIO  
(Unaudited)  
(in millions)

	<b>Fiscal year ended</b>					
	<b>April 29, 2011</b>	<b>April 27, 2012</b>	<b>April 26, 2013</b>	<b>April 25, 2014</b>	<b>April 24, 2015</b>	<b>April 29, 2016</b>
Payout ratio	32%	34%	30%	33%	40%	63%
Impact of non-GAAP adjustments	-4%	-5%	0%	-3%	-10%	-27%
Non-GAAP payout ratio	28%	29%	30%	30%	30%	36%



MEDTRONIC PLC  
DIABETES  
RECONCILIATION OF CERTAIN SIX YEAR CAGR (FY10-FY16) TO CONSTANT CURRENCY ADJUSTED FY10-FY16 CAGR  
(Unaudited)  
(in millions)

	<b>Emerging Markets</b>
Six year CAGR	17%
Currency impact on six year CAGR	3%
Constant currency adjusted six year CAGR	20%

MEDTRONIC PLC  
NET INCOME AND DILUTED EPS GAAP TO NON-GAAP RECONCILIATIONS  
(Unaudited)

(in millions, except per share data)

	Fiscal year ended April 29, 2016							
	Net Sales	Cost of Products Sold	Gross Margin Percent	Operating Profit	Operating Profit Percent	Income from Operations Before Taxes	Net Income	Diluted EPS
<b>GAAP</b>	\$ 28,833	\$ 9,142	68.3%	\$ 5,291	18.4%	\$ 4,336	\$ 3,538	\$ 2.48
Non-GAAP Adjustments: (1)								
Impact of inventory step-up (a)	—	(226)		226		226	165	0.12
Special charges (b)				70		70	44	0.03
Restructuring charges, net (c)	—	(9)		299		299	221	0.15
Certain litigation charges (d)	—	—		26		26	17	0.01
Acquisition-related items (e)	—	—		283		283	212	0.15
Amortization of intangible assets (f)	—	—		1,931		1,931	1,467	1.03
Loss on previously held forward starting interest rate swaps (g)	—	—		—		45	29	0.02
Debt tender premium (h)	—	—		—		183	118	0.08
Certain tax adjustments (i)	—	—		—		—	417	0.29
<b>Non-GAAP</b>	\$ 28,833	\$ 8,907	69.1%	\$ 8,126	28.2%	\$ 7,399	\$ 6,228	\$ 4.37
Foreign currency impact	1,502	113	1.2	797	1.2			0.47
<b>Constant Currency Adjusted</b>	\$ 30,335	\$ 9,020	70.3%	\$ 8,923	29.4%			\$ 4.84

(1) Non-GAAP adjustments relate to charges or gains that management believes may or may not recur with similar materiality or impact on results in future periods.

- (a) Represents amortization of step-up in preliminary fair value of inventory acquired in connection with the Covidien acquisition, which was recorded in *costs of products sold* in our condensed consolidated statements of income.
- (b) The \$44 million after-tax (\$70 million pre-tax) special charge was recorded in connection with the impairment of a debt investment.
- (c) Includes a \$274 million after-tax charge (\$364 million pre-tax) related to a continuation of our cost synergies initiative, partially offset by a \$53 million (\$65 million pre-tax) reversal of excess restructuring reserves related to certain restructuring initiatives. The fiscal year 2016 restructuring charge for the cost synergies initiative primarily consisted of employee termination costs (including accelerated stock compensation due to terminations resulting from the Covidien acquisition), fixed asset impairments, and contract termination costs. The restructuring charge includes expense within cost of products sold related to inventory write-offs of discontinued product lines.
- (d) Relates to probable and reasonably estimable INFUSE product liability litigation.
- (e) Primarily includes integration-related costs incurred in connection with the Covidien acquisition, partially offset by net income related to the change in fair value of contingent consideration associated with acquisitions subsequent to April 29, 2009.
- (f) To exclude amortization of intangible assets.
- (g) Relates to losses incurred from the unwinding of forward starting interest rate swaps, which were previously entered into in advance of a planned debt issuance that is no longer expected post the internal reorganization described in footnote (i). The losses were recorded in *interest expense, net* in our condensed consolidated statements of income.
- (h) The \$118 million after-tax charge (\$183 million pre-tax) charge was recorded in connection with the cash tender offer of certain outstanding debt securities issued by Medtronic, Inc. and Covidien International Finance S.A. The charge was recorded in *interest expense, net* in our condensed consolidated statements of income.
- (i) Primarily relates to U.S. income tax expense resulting from the Company's completion of an internal reorganization of the ownership of certain legacy Covidien businesses that reduced the cash and investments held by Medtronic's U.S.-controlled non-U.S. subsidiaries. Also includes a benefit related to the establishment of a deferred tax asset on the tax basis in excess of book basis of a wholly owned U.S. subsidiary the Company expects to dispose of during the foreseeable future.

MEDTRONIC PLC  
RECONCILIATION OF WORLDWIDE REVENUE GROWTH TO CONSTANT CURRENCY GROWTH  
(Unaudited)  
(in millions)

	Revenue	Reported Growth	Currency Impact on Growth	Constant Currency Growth
<b>Medtronic plc</b>				
Q2 FY16 YTD <sup>(1)(2)</sup>	\$ 14,332	66.0%	\$ (980)	6.0%
<b>Medtronic, Inc<sup>(4)</sup></b>				
1H FY15	8,639	4.0%	(4)	4.4%
FY14	4,566	2.4%	(39)	3.3%
<b>Covidien<sup>(5)</sup></b>				
1H FY15 <sup>(3)</sup>	5,420	4.1%	(106)	6.3%
FY14	10,659	4.1%	(102)	5.1%

(1) Non-GAAP constant currency growth presented on a comparable basis.

(2) Fiscal year 2016 is a 53-week year, with the extra week included in the first quarter results. While it is difficult to calculate the exact impact for the extra week, the Company estimates that it benefited Q2 YTD comparable, constant currency growth by approximately 3 percentage points.

(3) Covidien 1H FY15 represents Y/Y constant currency growth for Q1 calendar year 2015 and Q4 calendar year 2014.

(4) Historical financial information for Medtronic, Inc. 1H FY15 represents Q2 FY15 YTD balances presented on a constant currency basis.

(5) Historical financial information for Covidien plc, presented on a constant currency basis.

MEDTRONIC PLC  
RECONCILIATION OF OPERATING CASH FLOW TO ADJUSTED FREE CASH FLOW  
(Unaudited)  
(in millions)

	<b>FY16</b>	<b>FY15</b>	<b>FY14</b>	<b>FY13</b>	<b>FY12</b>	<b>FY11</b>
Net cash provided by operating activities	\$ 5,218	\$ 4,902	\$ 4,959	\$ 4,942	\$ 4,470	\$ 3,741
Additions to property, plant, and equipment	(1,046)	(571)	(396)	(457)	(484)	(501)
Free cash flow	\$ 4,172	\$ 4,331	\$ 4,563	\$ 4,485	\$ 3,986	\$ 3,240
Certain litigation payments	340	809	15	175	241	5
Adjusted free cash flow	\$ 4,512	\$ 5,140	\$ 4,578	\$ 4,660	\$ 4,227	\$ 3,245

MEDTRONIC PLC  
SELLING, GENERAL, AND ADMINISTRATIVE EXPENSE (SG&A), RESEARCH AND DEVELOPMENT EXPENSE (R&D), AND OTHER (INCOME)  
EXPENSE FOR NINE MONTHS ENDED JANUARY 23, 2015  
INCLUDED IN SUPPORT OF THE INFORMATION PROVIDED ON SLIDE 10 OF THE MDT Q4 FY16 EARNINGS PRESENTATION DATED MAY 31, 2016  
(Unaudited)

(in millions, except per share data)	Historical Medtronic <sup>(1)</sup>	Historical Covidien <sup>(2)</sup>	Reclassification Adjustments	Footnote Reference	Adjustment to Align Fiscal Months <sup>(3)</sup>	Financing Adjustments	Combined
Net sales	\$ 12,957	\$ 8,108	\$ —		\$ (128)	\$ —	\$ 20,937
Selling, general, and administrative expense	4,644	2,870	(48)	A	123		7,460
			(66)	B			
			1	C			
			(9)	D			
			126	E			
			(181)	G			
Research and development expense	1,112	419	3	D	2	—	1,536
Other expense (income), net	138	104	48	A	(16)	—	316
			3	C			
			39	F			

(1) For the nine months ended January 23, 2015

(2) For the nine months ended December 26, 2014

(3) Represents increase (decrease) in Covidien results for the nine months ended January 23, 2015 as compared to Covidien results for the nine months ended December 26, 2014.

Certain reclassifications have been made to Covidien's historical financial statements to conform to Medtronic's presentation, as follows:

- A. To reclassify Covidien's medical device excise tax from selling, general, and administrative expense to other expense (income), net.
- B. To reclassify Covidien's amortization of definite-lived intangible assets from cost of products sold and selling, general, and administrative expense to amortization of intangible assets.
- C. To reclassify Covidien's net gains and losses on foreign exchange transactions and related gains and losses on associated hedge transactions from cost of products sold and selling, general, and administrative expense to other expense (income), net.
- D. To reclassify certain of Covidien's stock-based compensation expense from selling, general, and administrative expense to cost of products sold and research and development expense.
- E. To reclassify certain of Covidien's shipping and handling costs from cost of products sold to selling, general, and administrative expense.
- F. To reclassify Covidien's royalty expense from cost of products sold to other expense (income), net.
- G. To reclassify Covidien's litigation and environmental charges from selling, general, and administrative expense to certain litigation charges, net. The litigation charge resulted from an increase to Covidien's estimated indemnification obligation for certain pelvic mesh product liability cases. The environmental charge related to probable and reasonably estimated incremental costs to remediate a site in Orrington, Maine following a court decision affirming a compliance order issued by the Maine Board of Environmental Protection.

MEDTRONIC PLC  
NON-GAAP RECONCILIATION FOR THE NINE MONTHS ENDED JANUARY 23, 2015  
INCLUDED IN SUPPORT OF THE INFORMATION PROVIDED ON SLIDE 10 OF THE MDT Q4 FY16 EARNINGS PRESENTATION DATED MAY 31, 2016  
(Unaudited)

<b>(in millions, except per share data)</b>	<b>Selling, general, and administrative expense</b>	<b>Other expense (income), net</b>
Combined	\$ 7,460	\$ 316
Medtronic reported Non-GAAP Adjustments		
Special (gains) charges <sup>(a)</sup>	38	—
Acquisition-related items <sup>(b)</sup>	(182)	—
Covidien reported non-GAAP adjustments		
Acquisition-related items <sup>(c)</sup>	(1)	—
Impairment of in-process research and development <sup>(d)</sup>	(94)	—
Transaction costs <sup>(e)</sup>	(45)	—
Impact of tax sharing agreement <sup>(f)</sup>	—	(96)
As adjusted	\$ 7,176	\$ 220

(a) To exclude the impact of a charitable cash donation made to the Medtronic Foundation, a gain on divestiture recognized in connection with the sale of a product line in the Surgical Technologies division, and a net gain recognized in connection with the sale of a certain equity method investment.

(b) To exclude the impact of Medtronic's acquisition-related items, primarily costs incurred in connection with the Covidien acquisition.

(c) To exclude Covidien acquisition-related costs, including \$12 million of charges recorded in cost of products sold related to the sale of acquired inventory that had been written up to fair value upon acquisition and adjustments to contingent consideration.

(d) To exclude the impairment of in-process research and development related to Covidien's drug coated balloon platform, which was sold in connection with Medtronic's acquisition of Covidien.

(e) To exclude transaction costs incurred by Covidien resulting from Medtronic's acquisition of Covidien.

(f) To exclude the non-interest portion of the impact of Covidien's tax sharing agreement with Tyco International plc and TE Connectivity Ltd.

MEDTRONIC PLC  
SELLING, GENERAL, AND ADMINISTRATIVE EXPENSE (SG&A), RESEARCH AND DEVELOPMENT EXPENSE (R&D), AND OTHER (INCOME) EXPENSE  
FOR THE FISCAL YEAR ENDED APRIL 24, 2015  
INCLUDED IN SUPPORT OF THE INFORMATION PROVIDED ON SLIDE 10 OF THE MDT Q4 FY16 EARNINGS PRESENTATION DATED MAY 31, 2016  
(Unaudited)

<b>(in millions, except per share data)</b>	<b>Combined<sup>(1)</sup></b>	<b>Medtronic plc<sup>(2)</sup></b>	<b>Comparable</b>
Net sales	\$ 20,938	\$ 7,304	\$ 28,242
Selling, general, and administrative expense	7,460	2,772	10,232
Research and development expense	1,536	528	2,064
Other expense (income), net	316	(20)	296
Income from continuing operations per share			
Diluted	\$ 2.58	\$ —	\$ 2.57
Weighted average shares outstanding			
Diluted	\$ 1,438.2	\$ 1,440.6	\$ 1,438.4

(1) Combined results for the nine months ended January 23, 2015

(2) Medtronic plc results for the three months ended April 24, 2015

(3) Combined weighted average shares outstanding have been calculated as if the shares issued in conjunction with the Covidien transaction had been issued and outstanding as of April 26, 2014, the beginning of fiscal year 2015.

MEDTRONIC PLC  
 COMBINED NON-GAAP RECONCILIATION FOR THE FISCAL YEAR ENDED APRIL 24, 2015  
 INCLUDED IN SUPPORT OF THE INFORMATION PROVIDED ON SLIDE 10 OF THE MDT Q4 FY16 EARNINGS PRESENTATION DATED MAY 31, 2016  
 (Unaudited)

(in millions)	Net Sales	Gross Margin Percent	Selling, general, and administrative expense	Other expense, net	Diluted EPS <sup>(4)</sup>
Combined	\$ 28,242	67.8%	\$ 10,232	\$ 296	2.57
Medtronic reported non-GAAP adjustments <sup>(1)</sup>					
Impact of inventory step-up	—		—	—	0.32
Impact of product technology upgrade commitment	—		—	—	0.04
Special (gains) charges	—		38	—	(0.02)
Restructuring charges, net	—		—	—	0.13
Certain litigation charges, net	—		—	—	0.02
Acquisition-related items	—		(550)	—	0.30
Certain tax adjustments	—		—	—	0.24
Covidien reported non-GAAP adjustments <sup>(2)</sup>					
Restructuring charges, net	—		—	—	0.04
Acquisition-related costs	—		(1)	—	0.01
Legal charge	—		—	—	0.09
Impairment of in-process research and development	—		(94)	—	0.05
Transaction costs	—		(45)	—	0.03
Adjustment to gain on divestiture	—		—	(4)	—
Impact of tax sharing agreement	—		—	(96)	0.07
Tax matters	—		—	—	(0.16)
As adjusted	\$ 28,242	70.3%	\$ 9,580	\$ 196	3.73
Combined amortization of intangible assets <sup>(5)</sup>					0.47
As adjusted, excluding combined amortization of intangible assets (Combined Diluted EPS) <sup>(3)</sup>					4.20

(1) For the fiscal year ended April 24, 2015

(2) For the nine months ended December 26, 2014

(3) Combined Diluted EPS is calculated as diluted EPS excluding Medtronic and Covidien reported non-GAAP adjustments and combined amortization of intangible assets.

(4) Combined diluted EPS does not include an adjustment to exclude the incremental interest expense incurred to hold \$17 billion of debt from December 10, 2014 through the end of the third quarter of fiscal year 2015 of \$77 million.

(5) To exclude combined amortization of intangible assets.



**MEDTRONIC PLC**  
**RECONCILIATION OF CERTAIN FIVE YEAR CAGR (FY11-FY16) TO CONSTANT CURRENCY ADJUSTED FY11-**  
**FY16 CAGR**  
 (Unaudited)  
 (in millions)

	<b>CVG</b>	<b>RTG</b>	<b>Diabetes</b>
Five year CAGR	5%	4%	7%
Currency impact on five year CAGR	1%	—%	1%
Constant currency adjusted five year CAGR	6%	4%	8%

MEDTRONIC PLC  
RECONCILIATION OF CONSOLIDATED GAAP NET EARNINGS  
TO CONSOLIDATED NON-GAAP NET EARNINGS  
(Unaudited)  
(in millions, except per share data)

	<b>Twelve months ended</b>		<b>Percentage Change</b>
	<b>April 29, 2011</b>	<b>April 30, 2010</b>	
Net earnings, as reported	\$ 3,096	\$ 3,099	-%
Restructuring charges	198 (a)	41 (f)	
Certain litigation charges, net	243 (b)	316 (g)	
Acquisition-related items	(9)(c)	17 (h)	
Impact of authoritative convertible debt guidance on interest expense, net	106 (d)	104 (d)	
Executive separation costs	9 (e)	-	
Non-GAAP net earnings	<u>\$ 3,643</u>	<u>\$ 3,577</u>	2%

MEDTRONIC PLC  
RECONCILIATION OF CONSOLIDATED GAAP DILUTED EPS  
TO CONSOLIDATED NON-GAAP DILUTED EPS  
(Unaudited)

	<b>Twelve months ended</b>		<b>Percentage Change</b>
	<b>April 29, 2011</b>	<b>April 30, 2010</b>	
Diluted EPS, as reported	\$ 2.86	\$ 2.79	3%
Restructuring charges	0.18 (a)	0.04 (f)	
Certain litigation charges, net	0.22 (b)	0.28 (g)	
Acquisition-related items	(0.01)(c)	0.02 (h)	
Impact of authoritative convertible debt guidance on interest expense, net	0.10 (d)	0.09 (d)	
Executive separation costs	0.01 (e)	-	
Non-GAAP diluted EPS	<u>\$ 3.37 (1)</u>	<u>\$ 3.22</u>	5%

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

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

(a) The \$198 million (\$0.18 per share) after-tax (\$272 million pre-tax) restructuring charge, consisted of employee termination costs, asset write-downs, contract termination fees, and other related costs. Included in the employee termination costs are expenses associated with compensation and early retirement benefits provided to certain employees. As part of the asset write-downs, the Company recorded a \$9 million after-tax (\$11 million pre-tax) expense within cost of products sold related to inventory write-offs of discontinued product lines and production related asset impairments. Additionally, included in the other related costs is an after-tax intangible asset impairment of \$12 million (\$16 million after-tax) related to the discontinuance of a product line within the CardioVascular business. The fourth quarter fiscal year 2011 restructuring initiative was designed to restructure the business to align its cost structure to current market conditions and continue to position the Company for long-term sustainable growth. To reshape the business for growth, the Company scaled back its infrastructure in slower growing areas while continuing to invest in geographies,

businesses, and products where faster growth is anticipated, such as emerging markets, direct sales, and new technologies. This initiative will impact most businesses and certain corporate functions. In addition to disclosing restructuring charges 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 restructuring charges.

(b) The \$243 million (\$0.22 per share) after-tax (\$245 million pre-tax) certain litigation charges, net relate primarily to a settlement involving the Sprint Fidelis family of defibrillation leads and accounting charges for Other Matters litigation. The Sprint Fidelis settlement relates to the resolution of certain outstanding product litigation related to the Sprint Fidelis family of defibrillation leads that were subject to a field action announced October 15, 2007. In addition to disclosing certain litigation charges, net 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 litigation charges.

(c) The \$9 million (\$0.01 per share) after-tax (\$14 pre-tax charge) acquisition-related items gain represents the following:

- \$11 million after-tax (\$15 million pre-tax) of IPR&D charges related to the NeuroPace, Inc. (NeuroPace) cross-licensing agreement;
- \$12 million after-tax (\$15 million pre-tax) of IPR&D charges related to asset purchases in the CardioVascular and Surgical Technologies businesses;
- \$39 million after-tax (\$55 million pre-tax) of certain acquisition-related costs;
- \$14 million after-tax (\$14 million pre-tax) related to the change in fair value of contingent milestone payments associated with acquisitions subsequent to April 29, 2009; and
- \$85 million after-tax (\$85 million pre-tax) gain resulting from the acquisition of Ardian, Inc. (Ardian).

The NeuroPace IPR&D charge related to a milestone payment under existing terms of a royalty bearing, non-exclusive patent cross-licensing agreement with NeuroPace that the Company entered into in the first quarter of fiscal year 2006. In the above IPR&D charges, technological feasibility of the underlying products had not yet been reached and such technology had no future alternative use. The certain acquisition-related costs include acquisition-related legal fees, severance costs, change in control costs, banker fees, other professional service fees, and contract termination costs of \$16 million after-tax (\$24 million pre-tax) related to the acquisition of ATS Medical, Inc. and \$23 million after-tax (\$31 million pre-tax) related to the acquisitions of Osteotech, Inc. and Ardian that were expensed in the period. Additionally, as a result of the Ardian acquisition, in accordance with the Financial Accounting Standards Board (FASB) authoritative guidance on business combinations, Medtronic recognized an \$85 million gain resulting from its previously held 11.3 percent ownership position. In addition to disclosing 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 acquisition-related items.

(d) The FASB authoritative guidance for convertible debt accounting has resulted in an after-tax impact to net earnings of \$106 million (\$0.10 per share) and \$104 million (\$0.09 per share) for the twelve months ended April 29, 2011 and April 30, 2010, respectively. The pre-tax impact to interest expense, net was \$170 million and \$167 million for the twelve months ended April 29, 2011 and April 30, 2010, 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 the impact of this authoritative guidance.

(e) The \$9 million (\$0.01 per share) after-tax (\$14 million pre-tax) executive separation costs include costs associated with the transition and retirement of Chief Executive Officer, William Hawkins. These costs were recorded within selling, general, and administrative expense in the period. In addition to disclosing executive separation costs 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 executive separation costs.

(f) The \$41 million (\$0.04 per share) after-tax (\$57 million pre-tax) restructuring charge is the net impact of a \$52 million after-tax charge related to the fiscal year 2009 initiative that the Company began in the fourth quarter of fiscal year 2009, offset by a \$9 million after-tax reversal of excess reserves in the fourth quarter of fiscal year 2010 related to the fiscal year 2009 initiative and by a \$2 million after-tax net reversal of excess restructuring reserves in the first quarter of fiscal year 2010 related to the global realignment initiative that began in the fourth quarter of fiscal year 2008. The fiscal year 2009 initiative was designed to streamline operations and further align resources around the Company's higher growth opportunities. This initiative impacted most businesses and certain corporate functions. In the first quarter of fiscal year 2010, the Company recognized expense associated with compensation and early retirement benefits provided to employees which could not be accrued in the fourth quarter of fiscal year 2009. In addition, the Company recorded \$4 million of the after-tax expense (\$7 million pre-tax) within cost of products sold related to inventory write-offs and production-related asset impairments associated with these restructuring activities. The \$2 million after-tax net reversal is

primarily a result of a \$5 million after-tax reversal due to favorable severance negotiations with certain employee populations outside the U.S. as well as a higher than expected percentage of employees identified for elimination finding positions elsewhere within the Company partially offset by a \$3 million after-tax charge the Company recorded in the first quarter of fiscal year 2010 related to the further write-down of a non-inventory related asset resulting from the continued decline in the international real estate market. In addition to disclosing restructuring charges 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 restructuring charges.

(g) The \$316 million (\$0.28 per share) after-tax (\$374 million pre-tax) certain litigation charges, net relate to settlements with Abbott Laboratories (Abbott) and with W.L. Gore & Associates (Gore). The Abbott settlement accounted for \$360 million after-tax (\$444 million pre-tax) charges and the Gore settlement accounted for \$44 million after-tax (\$70 million pre-tax) gain of certain litigation charges, net. The Abbott settlement related to the resolution of all outstanding intellectual property litigation. The terms of the Abbott agreement stipulate that neither party will sue the other in the field of coronary stent and stent delivery systems for a period of at least 10 years, subject to certain conditions. Both parties also agreed to a cross-license of the disputed patents within the defined field. The \$444 million pre-tax settlement amount includes a \$400 million payment to Abbott and a \$42 million success payment made to evYsio Medical Devices, LLC (evYsio). In addition, a \$2 million payment was made to evYsio in order to expand the definition of the license field from evYsio. The Gore settlement related to the resolution of outstanding patent litigation related to selected patents in Medtronic's Jervis and Wiktor patent families. The terms of the agreement stipulate that neither party will sue each other in the defined field of use, subject to certain conditions. In addition and subject to certain conditions, Medtronic granted Gore a worldwide, irrevocable, non-exclusive license in the defined field of use. Gore will also pay Medtronic a quarterly license payment through the fiscal quarter ending October 2018. In addition to disclosing certain litigation charges, net 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 litigation charges.

(h) The \$17 million (\$0.02 per share) after-tax acquisition-related items represent a \$7 million after-tax (\$11 million pre-tax) IPR&D charge related to the Arbor Surgical Technologies, Inc. asset purchase and \$10 million after-tax (\$12 million pre-tax) of acquisition-related costs associated with the acquisition of Invatec, S.p.A. In the above IPR&D charge, technological feasibility of the underlying products had not yet been reached and such technology had no future alternative use. The acquisition-related costs include legal fees, severance costs, and contract termination costs that were expensed in the period. In addition to disclosing 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 acquisition-related items.

**MEDTRONIC PLC**  
**RESTORATIVE THERAPIES GROUP**  
**RECONCILIATION OF FISCAL YEAR 2016 REVENUE GROWTH TO CONSTANT CURRENCY, CONSTANT WEEK**  
**REVENUE GROWTH**  
**(Unaudited)**

	<b>RTG</b>
As reported revenue growth	7%
Adjustment for currency impact on revenue growth	(2)
Adjustment for 52 week year (1)	(1)
Adjusted revenue growth	4%

(1) Fiscal year 2016 is a 53-week year, with the extra week included in the first quarter results. While it is difficult to calculate the exact impact for the extra week, the Company estimates that it benefited fiscal year 2016 comparable, constant currency growth by approximately 1.5 percentage points.

MEDTRONIC PLC  
RECONCILIATION OF WORLDWIDE REVENUE GROWTH TO  
CONSTANT CURRENCY GROWTH ADJUSTED FOR Q1 FY10 EXTRA WEEK  
(Unaudited)  
(in millions)

	<u>Twelve months ended</u>		<u>Reported</u>	<u>Currency Impact</u>		<u>Constant</u>	<u>Estimated</u>	<u>Constant</u>
	<u>April 29,</u>	<u>April 30,</u>		<u>on Growth (1)</u>	<u>Currency</u>		<u>Q1 FY10 Extra</u>	<u>Currency Extra</u>
	<u>2011</u>	<u>2010</u>	<u>Growth</u>			<u>Dollar</u>	<u>Percentage</u>	<u>Growth (1)</u>
							<u>on Growth (2)</u>	<u>Growth (2)</u>
Reported Revenue	\$ <u>15,933</u>	\$ <u>15,817</u>	1 %	\$ <u>12</u>	- %	1 %	1 %	2 %

(1) Constant currency growth, a non-GAAP financial measure, measures the change in revenue between current and prior year periods using average exchange rates in effect during the applicable prior year period.

(2) Fiscal year 2010 was a 53-week year, with the extra week included in these first quarter results. While it is difficult to calculate the exact impact for the extra week, the Company estimates that it benefited fiscal year 2010 comparable, constant currency growth by approximately 1 percentage point.

MEDTRONIC PLC  
RECONCILIATION OF RETURN ON INVESTED CAPITAL TO  
NON-GAAP RETURN ON INVESTED CAPITAL  
(Unaudited)

	<b>FY16</b>	<b>FY15</b>
Return on invested capital	8%	13%
Net impact of impact of inventory step-up, special charges, restructuring charges, net, certain litigation charges, net, acquisition-related items, loss on previously held forward starting interest rate swaps, debt tender premium, and certain tax adjustments	2%	5%
Non-GAAP return on invested capital	10%	18%