MEDTRONIC INC
Form DEFM14A
November 21, 2014
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934

Filed by the Registrant þ Filed by a Party other than the Registrant ¨

Check the appropriate box:

¨ Preliminary Proxy Statement

¨ **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

x Definitive Proxy Statement

¨ Definitive Additional Materials

¨ Soliciting Material Pursuant to §240.14a-12

MEDTRONIC, INC.

(Name of Registrant as Specified In Its Charter)

N/A

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

þ No fee required.

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(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

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¨ Fee paid previously with preliminary materials.

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(1) Amount Previously Paid:

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(3) Filing Party:

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To our Shareholders:

You are cordially invited to attend a special meeting of the shareholders of Medtronic, Inc. to be held on January 6, 2015 at 8:00 a.m. local time, at the Hyatt Regency, 1300 Nicollet Mall, Minneapolis, MN 55403.

As previously announced, on June 15, 2014, Medtronic entered into a Transaction Agreement with Covidien plc to acquire Covidien through the formation of a new holding company incorporated in Ireland that will be renamed Medtronic plc, which is referred to as New Medtronic. The acquisition of Covidien will be effected by means of a scheme of arrangement under Irish law, subject to the approval of the Irish High Court and Covidien shareholders. As consideration for the acquisition, Covidien shareholders will receive $35.19 in cash and 0.956 of a New Medtronic ordinary share for each Covidien share.

In connection with the acquisition, Aviation Merger Sub, LLC (MergerSub), a Minnesota limited liability company, will merge with and into Medtronic, with Medtronic as the surviving corporation in the merger. Medtronic shareholders will receive one ordinary share of New Medtronic from or at the direction of MergerSub for each Medtronic share held by them at closing.

Upon completion of such acquisition and merger, based on the number of Medtronic and Covidien shares outstanding as of November 18, 2014, the former shareholders of Medtronic are expected to own approximately 70%, and the former shareholders of Covidien are expected to own approximately 30%, of the outstanding ordinary shares of New Medtronic. The exchange of Medtronic shares for New Medtronic ordinary shares and cash in lieu of fractional shares will be a taxable transaction to Medtronic shareholders. The New Medtronic ordinary shares are expected to be listed on the New York Stock Exchange under the symbol MDT. Based on the number of Medtronic and Covidien shares outstanding as of the record date, the total number of New Medtronic ordinary shares that are expected to be issued in connection with the acquisition and the merger is approximately 1.4 billion.

We urge all Medtronic shareholders to read the accompanying joint proxy statement/prospectus, including the Annexes and the documents incorporated by reference in the accompanying joint proxy statement/prospectus, carefully and in their entirety. In particular, we urge you to read carefully *Risk Factors* beginning on page 40 of the accompanying joint proxy statement/prospectus.

Medtronic is holding a special meeting of shareholders to seek your approval to adopt the plan of merger contained in the Transaction Agreement and approve the revised memorandum and articles of association of New Medtronic. You are also being asked to vote at the special meeting on proposals relating to the creation of distributable reserves, which are required under Irish law in order for New Medtronic to, among other things, be able to pay dividends following completion of the transaction, as well as the non-binding, advisory approval of specified compensatory arrangements between Medtronic and its named executive officers relating to the transaction and certain adjournments of the special meeting; however, the acquisition is not conditioned on approval of these proposals.

Your proxy is being solicited by the board of directors of Medtronic. After careful consideration, the Medtronic board of directors has unanimously approved the Transaction Agreement and determined that the entry into the Transaction Agreement and the merger are fair and in the best interest of Medtronic and its shareholders. **The Medtronic board of directors recommends unanimously that you vote FOR the**

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proposal to adopt the plan of merger contained in the Transaction Agreement and approve the revised memorandum and articles of association of New Medtronic and FOR the other proposals described in the accompanying joint proxy statement/prospectus. In considering the recommendation of the board of directors of Medtronic, you should be aware that directors and executive officers of Medtronic have interests in the proposed transaction that are in addition to, or different from, any interests they might have as shareholders. See *The Transaction Interests of Certain Persons in the Transaction Medtronic*. **Your vote is very important. Please vote as soon as possible whether or not you plan to attend the special meeting by following the instructions in the accompanying joint proxy statement/prospectus.**

On behalf of the Medtronic board of directors, thank you for your consideration and continued support.

Very truly yours,

Omar Ishrak
Chairman and Chief Executive Officer
Medtronic, Inc.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the securities to be issued in connection with the transaction or determined if the accompanying joint proxy statement/prospectus is accurate or complete. Any representation to the contrary is a criminal offense.

For the avoidance of doubt, the accompanying joint proxy statement/prospectus is not intended to be and is not a prospectus for the purposes of the Investment Funds, Companies and Miscellaneous Provisions Act of 2005 of Ireland (the 2005 Act), the Prospectus (Directive 2003/71/EC) Regulations 2005 of Ireland or the Prospectus Rules issued under the 2005 Act, and the Central Bank of Ireland has not approved this document.

The accompanying joint proxy statement/prospectus is dated November 20, 2014, and is first being mailed to shareholders of Medtronic on or about November 21, 2014.

ADDITIONAL INFORMATION

If you have questions about the transaction or the special meeting, or if you need to obtain copies of the accompanying joint proxy statement/prospectus, proxy card or any documents incorporated by reference in the joint proxy statement/prospectus, you may contact the contact listed below. You will not be charged for any of the documents you request.

Georgeson Inc.

480 Washington Blvd., 26th Floor

Jersey City, New Jersey 07310

(866) 257-5415

(781) 575-2137 (International)

Medtronic@Georgeson.com

If you would like to request documents, please do so by December 29, 2014, in order to receive them before the special meeting.

For a more detailed description of the information incorporated by reference in the accompanying joint proxy statement/prospectus and how you may obtain it, see Where You Can Find More Information beginning on page 403 of the accompanying joint proxy statement/prospectus.

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MEDTRONIC

Medtronic World Headquarters

Minneapolis, Minnesota 55432

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

Time:	8:00 a.m. local time
Date:	January 6, 2015
Place:	Hyatt Regency, 1300 Nicollet Mall, Minneapolis, MN 55403
Purpose:	(1) To adopt the plan of merger contained in the Transaction Agreement, dated as of June 15, 2014, among Medtronic, Covidien plc, Medtronic Holdings Limited (formerly known as Kalani I Limited), referred to in the accompanying joint proxy statement/prospectus as New Medtronic, Makani II Limited (IrSub), Aviation Acquisition Co., Inc. (U.S. AcquisitionCo) and Aviation Merger Sub, LLC (MergerSub) and approve the revised memorandum and articles of association of New Medtronic;
	(2) To approve the reduction of the share premium account of New Medtronic to allow for the creation of distributable reserves of New Medtronic, which are required under Irish law in order to allow New Medtronic to make distributions and to pay dividends and repurchase or redeem shares following completion of the transaction;
	(3) To consider and vote upon, on a non-binding, advisory basis, specified compensatory arrangements between Medtronic and its named executive officers relating to the transaction; and
	(4) To approve adjournments of the Medtronic special meeting to another time or place if necessary or appropriate in order (i) to solicit additional proxies if there are insufficient votes at the time of the Medtronic special meeting to adopt the plan of merger contained in the Transaction Agreement and approve the revised memorandum and articles of association of New Medtronic, (ii) to provide to Medtronic shareholders in advance of the special meeting any supplement or amendment to the joint proxy statement/prospectus or (iii) to disseminate any other information which is material to the Medtronic shareholders voting at the special meeting.

The enclosed joint proxy statement/prospectus describes the purpose and business of the special meeting, contains a detailed description of the merger and the Transaction Agreement and includes a copy of the Transaction Agreement as Annex A and the conditions of the acquisition of Covidien plc and the related scheme of arrangement as Annex B. Please read these documents carefully before deciding how to vote.

Record Date: The record date for the Medtronic special meeting has been fixed as 5:00 p.m. (Eastern Time in the U.S.) on November 18, 2014. Medtronic shareholders of record at that time are entitled to vote at the Medtronic special meeting.

More information about the transaction and the proposals is contained in the accompanying joint proxy statement/prospectus. **We urge all Medtronic shareholders to read the accompanying joint proxy statement/prospectus, including the Annexes and the documents incorporated by reference in the accompanying joint proxy statement/prospectus, carefully and in their entirety. In particular, we urge you to read carefully *Risk Factors* beginning on page 40 of the accompanying joint proxy statement/prospectus.**

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The Medtronic board of directors recommends unanimously that Medtronic shareholders vote **FOR the proposal to adopt the plan of merger contained in the Transaction Agreement and approve the revised memorandum and articles of association of New Medtronic, FOR the proposal to reduce the share premium account of New Medtronic to allow the creation of distributable reserves, FOR the approval, on a non-binding, advisory basis, of specified compensatory arrangements between Medtronic and its named executive officers and FOR the Medtronic adjournment proposal.**

By order of the Board of Directors

Bradley E. Lerman
Senior Vice President, General Counsel and Corporate Secretary
November 20, 2014

YOUR VOTE IS IMPORTANT

If you are a record holder, you may vote your shares by using a toll-free telephone number or electronically over the internet as described on the enclosed proxy card. We encourage you to file your proxy using either of these options if they are available to you. Alternatively, you may mark, sign, date and mail your proxy card in the postage-paid envelope provided. If you hold your shares through a bank, broker or other nominee, you should follow the instructions provided by your bank, broker or other nominee in order to instruct them how to vote such shares. The method by which you vote does not limit your right to vote in person at the special meeting. We strongly encourage you to vote.

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QUESTIONS AND ANSWERS ABOUT THE TRANSACTION AND THE SPECIAL MEETINGS

The following questions and answers are intended to address briefly some commonly asked questions regarding the transaction and the special meetings. These questions and answers only highlight some of the information contained in this joint proxy statement/prospectus. They may not contain all the information that is important to you. You should read carefully this entire joint proxy statement/prospectus, including the Annexes and the documents incorporated by reference into this joint proxy statement/prospectus, to understand fully the proposed transactions and the voting procedures for the special meetings. See Where You Can Find More Information beginning on page 403. Unless otherwise specified, all references in this joint proxy statement/prospectus to Medtronic refer to Medtronic, Inc., a Minnesota corporation; all references in this joint proxy statement/prospectus to Covidien refer to Covidien public limited company, a public limited company incorporated in Ireland; all references in this joint proxy statement/prospectus to New Medtronic refer to Medtronic Holdings Limited (formerly known as Kalani I Limited), a private limited company incorporated in Ireland that will be re-registered as a public limited company and renamed Medtronic plc at or prior to the completion of the transaction; all references in this joint proxy statement/prospectus to IrSub refer to Makani II Limited, a private limited company incorporated in Ireland; all references in this joint proxy statement/prospectus to U.S. AcquisitionCo refer to Aviation Acquisition Co., Inc., a Minnesota corporation; all references in this joint proxy statement/prospectus to MergerSub refer to Aviation Merger Sub, LLC, a Minnesota limited liability company; all references to the Transaction Agreement refer to the Transaction Agreement, dated as of June 15, 2014, by and among Medtronic, Covidien, New Medtronic, IrSub, U.S. AcquisitionCo and MergerSub, a copy of which is included as Annex A to this joint proxy statement/prospectus; all references to the conditions appendix refer to the conditions to the acquisition and the scheme, a copy of which is included as Annex B to this joint proxy statement/prospectus; and all references to the expenses reimbursement agreement refer to the Expenses Reimbursement Agreement, dated as of June 15, 2014, by and between Medtronic and Covidien, which is included as Annex C to this joint proxy statement/prospectus. Unless otherwise indicated, all references to dollars or $ in this joint proxy statement/prospectus are references to U.S. dollars. ***If you are in any doubt about this transaction you should consult an independent financial advisor who, if you are taking advice in Ireland, is authorized or exempted by the Investment Intermediaries Act 1995, or the European Communities (Markets in Financial Instruments) Regulations (No s 1 to 3) 2007 (as amended).***

Q: Why am I receiving this joint proxy statement/prospectus?

A: Medtronic, Covidien, New Medtronic, IrSub, U.S. AcquisitionCo and MergerSub have entered into the Transaction Agreement, pursuant to which New Medtronic will acquire Covidien by means of a scheme of arrangement, or scheme, which is referred to in this joint proxy statement/prospectus as the acquisition, and, immediately following and conditioned on the consummation of the acquisition, MergerSub will be merged with and into Medtronic, which is referred to in this joint proxy statement/prospectus as the merger, with Medtronic surviving the merger as a wholly owned indirect subsidiary of New Medtronic.

Medtronic is holding a special meeting of shareholders in order to obtain shareholder approval to adopt the plan of merger contained in the Transaction Agreement and approve the revised memorandum and articles of association of New Medtronic, as described in this joint proxy statement/prospectus.

Covidien is convening a special Court-ordered meeting of its shareholders in order to obtain shareholder approval of the scheme of arrangement, which is referred to herein as the special Court-ordered meeting. If Covidien obtains the necessary shareholder approval of the scheme of arrangement at the special Court-ordered meeting, as soon as possible after the conclusion or adjournment of that meeting Covidien will convene an extraordinary general meeting,

or the EGM, in order to obtain shareholder approval of the resolutions necessary to implement the scheme of arrangement and related resolutions. The Covidien special Court-ordered meeting and the EGM are referred to herein collectively as the Covidien special meetings.

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We will be unable to complete the merger and the acquisition unless the requisite Medtronic and Covidien shareholder approvals described above are obtained at the respective special meetings. However, as described below, the merger and the acquisition are not conditioned on approval of certain additional matters being presented at the Medtronic special meeting and the Covidien EGM.

The acquisition, the merger and the other transactions contemplated by the Transaction Agreement to occur at completion are referred to collectively in this joint proxy statement/prospectus as the transaction.

We have included in this joint proxy statement/prospectus important information about the merger, the acquisition, the Transaction Agreement (a copy of which is attached as Annex A), the conditions appendix (a copy of which is attached as Annex B), the expenses reimbursement agreement (a copy of which is attached as Annex C), the Medtronic special meeting and the Covidien special meetings. You should read this information carefully and in its entirety. If you are a record holder, the enclosed voting materials allow you to vote your shares without attending the applicable special meeting by granting a proxy or voting your shares by mail, telephone or over the internet. If you hold your shares through a bank, broker or other nominee, you should follow the instructions provided by your bank, broker or other nominee in order to instruct them how to vote such shares.

Q: When and where will the Medtronic and Covidien special meetings be held?

A: The Medtronic special meeting will be held at the Hyatt Regency, 1300 Nicollet Mall, Minneapolis, MN 55403, on January 6, 2015, at 8:00 a.m., local time.

The Covidien special Court-ordered meeting will be convened at the Conrad Dublin Hotel, Earlsfort Terrace, Dublin 2, Ireland, on January 6, 2015, at 10:00 a.m., local time.

The Covidien EGM will be convened at the Conrad Dublin Hotel, Earlsfort Terrace, Dublin 2, Ireland, on January 6, 2015, at 10:15 a.m., local time or, if later, as soon as possible after the conclusion of the Covidien special Court-ordered meeting.

Q: What will the Medtronic shareholders receive as consideration in the transaction?

A: Upon the effective time of the merger, each Medtronic common share issued and outstanding immediately prior to the merger will be cancelled and will automatically be converted into the right to receive one New Medtronic ordinary share from or at the direction of MergerSub. The one-for-one exchange ratio is fixed, and, as a result, the number of New Medtronic ordinary shares received by the Medtronic shareholders in the transaction will not fluctuate up or down based on the market price of the Medtronic common shares or the Covidien ordinary shares prior to the transaction. It is expected that the New Medtronic ordinary shares will be listed on the New York Stock Exchange (NYSE) under the symbol MDT. Following the consummation of the transaction, the Medtronic common shares will be delisted from the NYSE.

Since Irish law does not recognize fractional shares held of record, New Medtronic will not issue any fractions of New Medtronic ordinary shares to Medtronic shareholders in the transaction. Instead, the total number of New Medtronic ordinary shares that any Medtronic shareholder would have been entitled to receive will be rounded down to the nearest whole number and all entitlements to fractional New Medtronic ordinary shares will be aggregated and sold by

the exchange agent, with any sale proceeds being distributed in cash pro rata to the Medtronic shareholders whose fractional entitlements have been sold.

Q: What will the Covidien shareholders receive as consideration in the transaction?

A: Upon the completion of the transaction, the holder of each Covidien ordinary share issued and outstanding immediately prior to completion of the acquisition (other than certain Covidien ordinary shares to be held by nominees on behalf of New Medtronic and/or IrSub in connection with the transaction) will be entitled to receive (i) $35.19 in cash and (ii) 0.956 of a New Medtronic ordinary share, which, collectively, is referred to in this joint proxy statement/prospectus as the scheme consideration. The exchange ratio is fixed, and, as a result, neither the cash amount nor the number of New Medtronic ordinary shares received by the Covidien shareholders in the transaction will fluctuate up or down based on the market price of the Medtronic common shares or the Covidien ordinary shares prior to the transaction.

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It is expected that the New Medtronic ordinary shares will be listed on the NYSE under the symbol MDT. Following the consummation of the transaction, Covidien ordinary shares will be delisted from the NYSE.

Since Irish law does not recognize fractional shares held of record, New Medtronic will not issue any fractions of New Medtronic ordinary shares to Covidien shareholders in the transaction. Instead, the total number of New Medtronic ordinary shares that any Covidien shareholder would have been entitled to receive will be rounded down to the nearest whole number and all entitlements to fractional New Medtronic ordinary shares will be aggregated and sold by the exchange agent, with any sale proceeds being distributed in cash pro rata to the Covidien shareholders whose fractional entitlements have been sold.

Q: What proposals are being voted on at the Medtronic special meeting and what shareholder vote is required to approve those proposals?

A: (1) *Proposal to adopt the plan of merger contained in the Transaction Agreement and approve the revised memorandum and articles of association of New Medtronic*: The affirmative vote of holders of a majority of the Medtronic common shares outstanding on the record date.
Abstentions, failures to vote and broker non-votes will have the same effect as a vote against proposal 1.

(2) *Proposal to reduce the share premium account of New Medtronic to allow the creation of distributable reserves*: The affirmative vote of holders of a majority of the Medtronic common shares represented, in person or by proxy that authorizes such shares to be voted on such proposal, at the special meeting.

(3) *Proposal to consider and vote upon, on a non-binding, advisory basis, specified compensatory arrangements between Medtronic and its named executive officers*: The affirmative vote of holders of a majority of the Medtronic common shares represented, in person or by proxy that authorizes such shares to be voted on such proposal, at the special meeting. This proposal is advisory and therefore not binding on the Medtronic board of directors.

(4) *Proposal to adjourn the Medtronic special meeting to another time or place if necessary or appropriate (i) to solicit additional proxies if there are insufficient votes at the time of the Medtronic special meeting to adopt the plan of merger contained in the Transaction Agreement and approve the revised memorandum and articles of association of New Medtronic, (ii) to provide to the Medtronic shareholders in advance of the special meeting any supplement or amendment to the joint proxy statement/prospectus or (iii) to disseminate any other information which is material to the Medtronic shareholders voting at the special meeting, referred to as the Medtronic adjournment proposal*: The affirmative vote of holders of a majority of the Medtronic common shares represented, in person or by proxy that authorizes such shares to be voted on such proposal, at the special meeting.

With respect to each of proposals 2, 3 and 4, abstentions and failures to vote shares that are represented, in person or by proxy authorized to vote on the particular proposal, at the special meeting will have the same effect as a vote against such proposal. Broker non-votes will have no effect on proposals 2, 3 or 4.

The merger and the acquisition are not conditioned on approval of proposals 2, 3 or 4.

As of the Medtronic record date, directors and executive officers of Medtronic and their affiliates owned and were entitled to vote 424,493 Medtronic common shares, representing approximately 0.04% percent of the Medtronic common shares outstanding on that date. It is expected that the Medtronic directors and executive officers who are

shareholders of Medtronic will vote FOR the proposal to adopt the plan of merger contained in the Transaction Agreement and approve the revised memorandum and articles of association of New Medtronic, FOR the proposal to create distributable reserves of New Medtronic, FOR the proposal to approve, on a non-binding, advisory basis, specified compensatory arrangements between Medtronic and its named executive officers relating to the transaction and FOR the Medtronic adjournment proposal, although none of them has entered into any agreement requiring them to do so.

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Q: What proposals are being voted on at the Covidien special meetings and what shareholder vote is required to approve those proposals?

A: ***Covidien Special Court-Ordered Meeting***

Covidien shareholders are being asked to vote on a proposal to approve the scheme at both the Covidien special Court-ordered meeting and at the Covidien EGM. The vote required for such proposal is different at each of the meetings, however. As set out in full under the section entitled *Part 2 Explanatory Statement Consents and Meetings*, the approval required at the special Court-ordered meeting is a majority in number of the Covidien shareholders of record casting votes on the proposal representing three-fourths (75 percent) or more in value of the Covidien ordinary shares held by such holders, present and voting either in person or by proxy.

Because the vote required to approve the proposal at the Covidien special Court-ordered meeting is based on votes properly cast at the meeting, and because abstentions and broker non-votes are not considered votes properly cast, abstentions and broker non-votes, along with failures to vote, will have no effect on such proposal.

The merger and the acquisition are conditioned on approval of the scheme at the Covidien special Court-ordered meeting.

Covidien Extraordinary General Meeting

Set forth below is a table summarizing certain information with respect to the Resolutions to be voted on at the EGM:

EGM Resolution #	Resolution	Ordinary or Special Resolution?	Transaction Conditioned on Approval of Resolution?
1	Approve the scheme of arrangement and authorize the directors of Covidien to take all such actions as they consider necessary or appropriate for carrying the scheme of arrangement into effect.	Ordinary	Yes
2	Approve the cancellation of any Covidien ordinary shares in issue before 10:00 p.m., Irish time, on the day before the Irish High Court hearing to sanction the scheme.	Special	Yes
3	Authorize the directors of Covidien to allot and issue new Covidien shares, fully paid up, to New Medtronic, IrSub and/or their nominee(s) in connection with effecting the scheme.	Ordinary	Yes
4	Amend the articles of association of Covidien so that any ordinary shares of Covidien that are issued at or after 10:00 p.m., Irish time, on the last business day before the scheme becomes effective are acquired by New Medtronic, IrSub and/or their nominee(s) for the scheme consideration.	Special	Yes
5		Ordinary	No

	Approve the reduction of the share premium account of New Medtronic resulting from (i) the issuance of New Medtronic shares pursuant to the scheme and (ii) a subscription for New Medtronic shares by MergerSub prior to the merger, in order to create distributable reserves of New Medtronic.		
6	Approve, on a non-binding, advisory basis, specified compensatory arrangements between Covidien and its named executive officers relating to the transaction.	Ordinary	No

By way of further explanation:

EGM resolution 2 is required because under Irish law a reduction of share capital (including a cancellation of shares as part of a scheme of arrangement that will occur as part of the transaction) requires prior authorization of shareholders by way of a special resolution;

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EGM resolution 3 is required because, under Irish law, Covidien s directors must have sufficient authority from shareholders to implement the issuance of new Covidien shares to New Medtronic, IrSub and/or their nominees, as will occur as part of the transaction; and

EGM resolution 4 is required because the scheme of arrangement applies to all ordinary shares of Covidien in issue before 10:00 p.m., Irish time, on the last business day before the scheme of arrangement becomes effective. In the event that Covidien issues ordinary shares to any person (other than New Medtronic, IrSub or their nominee(s)) after this time, for example pursuant to the exercise of share awards or options, the amendment to Covidien s articles of association effected by this resolution will ensure that such ordinary shares are effectively subject to the scheme of arrangement.

At the Covidien EGM, the requisite approval of each of the EGM resolutions depends on whether it is an ordinary resolution (EGM resolutions 1, 3, 5 and 6), which requires the approval of the holders of at least a majority of the votes cast by the holders of Covidien ordinary shares present and voting, either in person or by proxy, or a special resolution (EGM resolutions 2 and 4), which requires the approval of the holders of at least 75 percent of the votes cast by the holders of Covidien ordinary shares present and voting, either in person or by proxy.

For all the EGM resolutions, because the votes required to approve such resolutions are based on votes properly cast at the meeting, and because abstentions and broker non-votes are not considered votes properly cast, abstentions and broker non-votes, along with failures to vote, will have no effect on the EGM resolutions.

As of the Covidien record date, the Covidien directors and executive officers had the right to vote approximately 0.19% of the Covidien ordinary shares then outstanding and entitled to vote at the special Court-ordered meeting and the EGM. It is expected that Covidien s directors and executive officers will vote FOR each of the proposals at the special Court-ordered meeting and at the EGM, although none of them have entered into any agreement requiring them to do so.

Q: Why are there two Covidien special meetings?

A: Irish law requires that two separate shareholder meetings be held, the special Court-ordered meeting and the EGM. Both meetings are necessary to cause the scheme of arrangement to become effective. At the special Court-ordered meeting, Covidien shareholders as of 5:00 p.m. (Eastern time in the U.S.) on November 18, 2014, the Covidien record date, will be asked to approve the scheme. At the EGM, those Covidien shareholders will also be asked to approve the scheme and related matters. For more detail on these matters, see *The Special Meetings of Covidien s Shareholders*.

Q: What constitutes a quorum?

A: *Medtronic*: A majority of the outstanding Medtronic common shares, present in person or by proxy authorized to vote at the special meeting, will constitute a quorum for the transaction of business at the Medtronic special meeting. Medtronic s inspector of election intends to treat as present for these purposes shareholders who have submitted properly executed or transmitted proxies that are marked abstain. The inspector will also treat as present shares held in street name by brokers that are voted on at least one proposal to come before the meeting.

Covidien: The holders of Covidien ordinary shares outstanding, present in person or by proxy, entitling them to exercise a majority of the voting power of Covidien on the Covidien record date will constitute a quorum for a meeting. Covidien s inspector of election intends to treat as present for these purposes shareholders who have submitted properly executed or transmitted proxies that are marked abstain. The inspector will also treat as present shares held in street name by brokers that are voted on at least one proposal to come before the meeting.

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Q: Why am I being asked to approve the distributable reserves proposal?

A: Under Irish law, dividends may be paid (and share repurchases and redemptions must generally be funded) only out of distributable reserves, which New Medtronic will not have immediately following the completion of the transaction. Distributable reserves generally means accumulated realized profits less accumulated realized losses and includes reserves created by way of capital reduction. Please see *Creation of Distributable Reserves of New Medtronic* beginning on page 317. Shareholders of Medtronic and Covidien are therefore being asked at their respective special meetings to approve the creation of distributable reserves of New Medtronic (through the reduction of the share premium account of New Medtronic) in order to facilitate New Medtronic s ability to pay dividends (and repurchase or redeem shares) after the transaction.

The approval of the distributable reserves proposal is not a condition to the consummation of the transaction. Accordingly, if shareholders of Medtronic approve the proposal to adopt the plan of merger contained in the Transaction Agreement and approve the revised memorandum of articles of association of New Medtronic, and shareholders of Covidien approve the scheme and resolutions 1, 2, 3 and 4 to be proposed at the EGM, but shareholders of Medtronic and/or Covidien do not approve the distributable reserves proposal, and the transaction is consummated, New Medtronic may not have sufficient distributable reserves to pay dividends (or to repurchase or redeem shares) following the transaction unless and until New Medtronic otherwise accumulates distributable reserves. In addition, the creation of distributable reserves of New Medtronic requires the approval of the Irish High Court. Although New Medtronic is not aware of any reason why the Irish High Court would not approve the creation of distributable reserves, the issuance of the required order is a matter for the discretion of the Irish High Court. Please see *Risk Factors* beginning on page 40 and *Creation of Distributable Reserves of New Medtronic* beginning on page 317.

Q: What are the recommendations of the Medtronic and Covidien boards of directors regarding the proposals being put to a vote at their respective special meetings?

A: *Medtronic*: The Medtronic board of directors has unanimously approved the Transaction Agreement and determined that the entry into the Transaction Agreement and the merger are fair to and in the best interests of Medtronic and its shareholders.

The Medtronic board of directors unanimously recommends that Medtronic shareholders vote:

FOR the proposal to adopt the plan of merger contained in the Transaction Agreement and approve the revised memorandum and articles of association of New Medtronic;

FOR the proposal to reduce the share premium account of New Medtronic to allow the creation of distributable reserves;

FOR the approval, on a non-binding, advisory basis, of specified compensatory arrangements between Medtronic and its named executive officers; and

FOR the Medtronic adjournment proposal.

See *The Transaction Recommendation of the Medtronic Board of Directors and Medtronic s Reasons for the Transaction* beginning on page 92.

In considering the recommendation of the Medtronic board of directors, you should be aware that directors and executive officers of Medtronic have interests in the proposed transaction that are in addition to, or different from, any interests they might have as shareholders. See *The Transaction Interests of Certain Persons in the Transaction Medtronic*.

Covidien: The Covidien board of directors has unanimously approved the Transaction Agreement and determined that the Transaction Agreement and the transactions contemplated by the Transaction Agreement, including the scheme, are fair to and in the best interests of Covidien and its shareholders and that the terms of the scheme are fair and reasonable.

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The Covidien board of directors unanimously recommends that Covidien shareholders vote:

FOR the scheme of arrangement at the special Court-ordered meeting;

FOR the scheme of arrangement at the EGM;

FOR the cancellation of any Covidien ordinary shares in issue before 10:00 p.m., Irish time, on the day before the Irish High Court hearing to sanction the scheme;

FOR the authorization of the directors of Covidien to allot and issue new Covidien shares, fully paid up, to New Medtronic and IrSub in connection with effecting the scheme;

FOR amendment of the articles of association of Covidien so that any ordinary shares of Covidien that are issued at or after 10:00 p.m., Irish time on the last business day before the scheme becomes effective are acquired by New Medtronic and/or IrSub for the scheme consideration;

FOR the reduction of the share premium account of New Medtronic resulting from (i) the issuance of New Medtronic shares pursuant to the scheme and (ii) a subscription for New Medtronic shares by MergerSub prior to the merger, in order to create distributable reserves of New Medtronic; and

FOR the approval, on a non-binding, advisory basis of specified compensatory arrangements between Covidien and its named executive officers.

See *The Transaction Recommendation of the Covidien Board of Directors and Covidien s Reasons for the Transaction* beginning on page 96.

In considering the recommendation of the Covidien board of directors, you should be aware that directors and executive officers of Covidien have interests in the proposed transaction that are in addition to, or different from, any interests they might have as shareholders. See *The Transaction Interests of Certain Persons in the Transaction Covidien*.

Q: When is the transaction expected to be completed?

A: As of the date of this joint proxy statement/prospectus, the transaction is expected to be completed in early 2015. However, no assurance can be provided as to when or if the transaction will be completed. The required vote of Medtronic and Covidien shareholders to adopt the required shareholder proposals at their respective special meetings, as well as the necessary regulatory consents and approvals, must first be obtained and other conditions specified in the conditions appendix must be satisfied or, to the extent applicable, waived.

Q: Why will the place of incorporation of New Medtronic be Ireland?

A: Medtronic decided that New Medtronic would be incorporated in Ireland for the following reasons:

Incorporating New Medtronic in Ireland will result in significantly enhanced global cash management flexibility, including access to Covidien s non-U.S. cash flow without negative tax effects, compared to incorporation in the United States.

This enhanced flexibility includes access to cash generated by Covidien s non-U.S. subsidiaries, which will continue to be free of U.S. tax so long as New Medtronic is not taxed as a U.S. corporation, and an expected reduction of the combined effective tax rate of New Medtronic by approximately two percentage points compared with the companies estimated blended rates. See *Future potential changes to the tax laws could result in New Medtronic being treated as a U.S. corporation for U.S. federal tax purposes, and if adopted prior to closing, could jeopardize or delay the consummation of the transaction* beginning on page 45.

While New Medtronic is expected to have enhanced global cash management flexibility as a result of the transaction, it is not possible to quantify the financial impact of such enhanced flexibility,

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because the potential financial impact depends on a number of factors that are not yet known, including the amounts of future non-U.S. cash flows from Covidien s business, the uses of such amounts and the potential return on any investment resulting from such amounts.

As of June 27, 2014, approximately $1.228 billion of cash and cash equivalents were held by Covidien s subsidiaries, substantially all of which can be repatriated under current laws. Covidien s non-U.S. income from continuing operations before income taxes was $1.496 billion for the year ended September 27, 2013.

Covidien is already an Irish-domiciled company, and over time has built productive relationships with the relevant Irish regulatory authorities and the Irish government generally. Both Medtronic and Covidien have substantial operations in Ireland and an infrastructure to provide the necessary support for the parent company;

Ireland is a beneficial location considering Medtronic s and Covidien s presence in markets outside the United States, particularly in Europe; and

Ireland enjoys strong relationships as a member of the European Union, and has a long history of international investment and a good network of commercial, tax, and other treaties with the United States, the European Union and many other countries where both Medtronic and Covidien have major operations.

Q: Who is entitled to vote?

A: *Medtronic*: The board of directors of Medtronic has fixed 5:00 p.m. (Eastern Time in the U.S.) on November 18, 2014 as the Medtronic record date. If you were a Medtronic shareholder of record as of 5:00 p.m. (Eastern Time in the U.S.) on November 18, 2014, you are entitled to receive notice of and to vote at the Medtronic special meeting and any adjournments thereof.

Covidien: The board of directors of Covidien has fixed 5:00 p.m. (Eastern Time in the U.S.) on November 18, 2014 as the Covidien record date. If you were a Covidien shareholder of record as of 5:00 p.m. (Eastern Time in the U.S.) on November 18, 2014, you are entitled to receive notice of and to vote at the Covidien special meetings and any adjournments thereof.

Q: What if I sell my Medtronic common shares before the Medtronic special meeting or my Covidien ordinary shares before the Covidien special meetings?

Medtronic: If you transfer your shares after the Medtronic record date but before the Medtronic special meeting, you will retain your right to vote at the Medtronic special meeting, but will have transferred the right to receive New Medtronic ordinary shares pursuant to the transaction. In order to receive the New Medtronic ordinary shares, you must hold your shares through completion of the transaction.

Covidien: If you transfer your shares after the Covidien record date but before the Covidien special meetings, you will retain your right to vote at the Covidien special meetings, but will have transferred the right to receive the scheme consideration. In order to receive the scheme consideration, you must hold your shares through completion of the

transaction.

Q: How do I vote?

A: *Medtronic*: If you are a Medtronic shareholder of record, you may vote your shares at the Medtronic special meeting in one of the following ways:

by mailing your completed and signed proxy card in the enclosed return envelope;

by voting by telephone or over the internet as instructed on the enclosed proxy card; or

by attending the Medtronic special meeting and voting in person.

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To vote in person, you must request an admission ticket in advance by visiting www.proxyvote.com and following the instructions provided (you will need the 12 digit number included on your proxy card, voter instruction form or notice). Tickets will be issued to registered and beneficial owners and to one guest accompanying each registered or beneficial owner. Requests for admission tickets will be processed in the order in which they are received and must be requested no later than 11:59 p.m. (Eastern Time in the U.S.) on January 5, 2015. Please note that seating is limited and requests for tickets will be accepted on a first-come, first-served basis. On the day of the meeting, each shareholder will be required to present proof of ownership as of the Medtronic record date and valid picture identification. Cameras (including cell phones with photographic capabilities), recording devices and other electronic devices will not be permitted at the meeting. You will be required to enter through a security check point before being granted access to the meeting.

If you are a Medtronic shareholder of record, the shares listed on your proxy card will include the following shares, if applicable:

shares held in the Medtronic, Inc. SIP;

shares held in the Medtronic Puerto Rico Employees SIP; and

shares held in a book-entry account at Wells Fargo Bank N.A., Medtronic s transfer agent.

If you hold your shares through a bank, broker or other nominee, you should follow the instructions provided by your bank, broker or other nominee in order to instruct them how to vote such shares.

Covidien: If you are a Covidien shareholder of record, you may vote your shares at the Covidien special meetings in one of the following ways:

by mailing your applicable completed and signed proxy cards in the enclosed return envelope;

by voting by telephone or over the internet as instructed on the applicable enclosed proxy card; or

by attending the applicable Covidien special meeting and voting in person.

To vote in person, you must bring proof of ownership as of the Covidien record date and valid picture identification.

If you are a Covidien shareholder of record, the shares listed on your proxy cards will include the following shares, if applicable:

shares issued under the Covidien Savings Related Share Plan; and

shares held in a book-entry account at Computershare Trust Company, N.A., Covidien s transfer agent.

If you hold your shares through a bank, broker or other nominee, you should follow the instructions provided by your bank, broker or other nominee in order to instruct them how to vote such shares.

Q: How do I vote shares acquired through an employee program?

A: *Medtronic*: If you are a Medtronic shareholder of record, the shares listed on your proxy card will include the following shares, if applicable:

shares held in the Medtronic, Inc. SIP;

shares held in the Medtronic Puerto Rico Employees SIP; and

shares held in a certificate form or in a book-entry account at Wells Fargo Bank N.A., Medtronic s transfer agent.

Please see the Q&A above for *How do I vote?* with respect to such shares.

If you hold your shares through Charles Schwab, UBS or another bank, broker or nominee, you will receive a separate voting instruction form and should follow the instructions provided by your bank, broker or nominee in order to instruct them how to vote such shares.

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Covidien: If you are a Covidien shareholder of record, the shares listed in your proxy card will include the following shares, if applicable:

- shares issued under the Covidien Savings Related Share Plan; and
- shares held in a book-entry account at Computershare Trust Company, N.A., Covidien s transfer agent (including shares you may have transferred from UBS or Fidelity).

Please see the Q&A above for *How do I vote?* with respect to such shares.

If you hold your shares through UBS, Fidelity or another bank, broker or nominee, you will receive a separate voting instruction form and should follow the instructions provided by your bank, broker or nominee in order to instruct them how to vote such shares.

Q: If my shares are held in street name by my bank, broker or other nominee, will my bank, broker or other nominee automatically vote my shares for me?

A: No. Your bank, broker or other nominee will not vote your shares if you do not provide your bank, broker or other nominee with a signed voting instruction form with respect to your shares, such failure to vote being referred to as a broker non-vote. Therefore, you should instruct your bank, broker or other nominee to vote your shares by following the directions your bank, broker or other nominee provides.

Brokers do not have discretionary authority to vote on any of the Medtronic proposals or on any of the Covidien proposals.

Please see *The Special Meeting of Medtronic s Shareholders Voting Shares Held in Street Name* beginning on page 74 and *The Special Meetings of Covidien s Shareholders Voting Ordinary Shares Held in Street Name* beginning on page 80.

Q: How many votes do I have?

A: *Medtronic*: You are entitled to one vote for each Medtronic common share that you owned as of 5:00 p.m. (Eastern Time in the U.S.) on the Medtronic record date. As of 5:00 p.m. (Eastern Time in the U.S.) on the Medtronic record date, 983,545,016 Medtronic common shares were outstanding and entitled to vote at the special meeting.

Covidien: You are entitled to one vote for each Covidien ordinary share that you owned as of 5:00 p.m. (Eastern Time in the U.S.) on the Covidien record date. As of 5:00 p.m. (Eastern Time in the U.S.) on the Covidien record date, 452,731,347 Covidien ordinary shares were outstanding and entitled to vote at the special Court-ordered meeting and at the EGM.

Q: What if I hold shares in both Medtronic and Covidien?

A: If you are a shareholder of both Medtronic and Covidien, you will receive two separate packages of proxy materials. A vote as a Medtronic shareholder on the proposal to adopt the plan of merger contained in the Transaction Agreement and approve the revised memorandum and articles of association of New Medtronic or any of the other proposals at the Medtronic special meeting will not constitute a vote as a Covidien shareholder on the proposal to approve the scheme of arrangement or any of the other proposals at the Covidien special Court-ordered meeting or EGM, or vice versa. **THEREFORE, IF YOU ARE A RECORD HOLDER, PLEASE MARK, SIGN, DATE AND RETURN ALL PROXY CARDS THAT YOU RECEIVE, WHETHER FROM MEDTRONIC OR COVIDIEN, OR SUBMIT A SEPARATE PROXY AS BOTH A MEDTRONIC AND A COVIDIEN SHAREHOLDER FOR EACH SPECIAL MEETING, OVER THE INTERNET OR BY TELEPHONE. IF YOU HOLD YOUR SHARES THROUGH A BANK, BROKER OR OTHER NOMINEE, YOU SHOULD FOLLOW THE INSTRUCTIONS PROVIDED BY YOUR BANK, BROKER OR OTHER NOMINEE IN ORDER TO INSTRUCT THEM ON HOW TO VOTE SUCH SHARES AS BOTH A MEDTRONIC AND A COVIDIEN SHAREHOLDER FOR EACH APPLICABLE SPECIAL MEETING**.

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Q: Should I send in my stock certificates now?

A: No. Medtronic shareholders that hold shares in certificated form should keep their existing stock certificates at this time. After the transaction is completed, you will receive written instructions for exchanging your stock certificates for New Medtronic ordinary shares and other consideration, if applicable.

Q: What do I need to do now?

A: If you are entitled to vote at a special meeting of your company s shareholders, you can vote in person by completing a ballot at the special meeting, or you can vote by proxy before the special meeting. Even if you plan to attend your company s special meeting, we encourage you to vote by proxy before the special meeting. After carefully reading and considering the information contained in this joint proxy statement/prospectus, including the Annexes and the documents incorporated by reference, please submit your proxy by telephone or internet in accordance with the instructions set forth on the relevant enclosed proxy card, or mark, sign and date the relevant proxy card, and return it in the enclosed prepaid envelope as soon as possible so that your shares may be voted at your company s relevant special meeting. Your proxy card or your telephone or internet directions will instruct the persons identified as your proxy to vote your shares at your company s relevant special meeting as directed by you.

If you are a shareholder of record and you sign and send in a proxy card but do not indicate how you want to vote, your proxy will be voted FOR each of the proposals.

If you hold your Medtronic common shares or Covidien ordinary shares through a bank, broker or other nominee, you should follow the instructions provided by your bank, broker or other nominee when instructing them how to vote your Medtronic common shares or Covidien ordinary shares.

Q: May I change my vote after I have mailed my signed proxy card or voted by telephone or over the internet?

A: Yes, you may change your vote at any time before your proxy is voted at the Medtronic special meeting or at the Covidien special Court-ordered meeting or the Covidien EGM. You can do this in one of four ways:

timely deliver a valid later-dated proxy by mail;

before the relevant special meeting, provide written notice that you have revoked your proxy to the secretary of Medtronic or Covidien, as applicable, so that it is received prior to midnight on the night before the relevant special meeting at the following address:

Medtronic, Inc.

710 Medtronic Parkway

Minneapolis, Minnesota 55432

Attention: Bradley E. Lerman, Corporate Secretary

Covidien public limited company

c/o Covidien

15 Hampshire Street

Mansfield, Massachusetts 02048

Attention: John W. Kapples, Secretary

- submit revised voting instructions by telephone or over the internet by following the instructions set forth on the proxy card; or

- attend the applicable special meeting and vote in person. Simply attending the meeting, however, will not revoke your proxy or change your voting instructions; you must vote by ballot at the meeting to change your vote.

If you have instructed a bank, broker or other nominee to vote your shares, you must follow directions received from your bank, broker or other nominee to change your vote or revoke your proxy.

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Q: Who can help answer my questions?

A: If you have questions about the transaction, or if you need assistance in submitting your proxy or voting your shares or need additional copies of this joint proxy statement/prospectus or the enclosed proxy card(s), you should contact the proxy solicitation agent for the company in which you hold shares.

If you are a Medtronic shareholder, you should contact Georgeson Inc., the proxy solicitation agent for Medtronic, by mail at 480 Washington Blvd., 26th Floor, Jersey City, NJ 07310, by telephone at (866) 257-5415 (toll free) or (781) 575-2137 (International) or by e-mail at Medtronic@Georgeson.com. If you are a Covidien shareholder, you should contact D.F. King & Co., Inc., the proxy solicitation agent for Covidien, by mail at 48 Wall Street, 22nd Floor, New York, NY 10005, by telephone at (800) 488-8035 (toll free in the U.S. and Canada) or (212) 269-5550 (collect), or by e-mail at covidien@dfking.com.

If your shares are held by a broker, bank or other nominee, you should contact your broker, bank or other nominee for additional information.

Q: Where can I find more information about Medtronic and Covidien?

A: You can find more information about Medtronic and Covidien from various sources described under *Where You Can Find More Information* beginning on page 403.

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SUMMARY

This summary highlights selected information contained in this joint proxy statement/prospectus and may not contain all of the information that may be important to you. Accordingly, you should read carefully this entire joint proxy statement/prospectus, including the Annexes and the documents referred to or incorporated by reference in this joint proxy statement/prospectus. The page references have been included in this summary to direct you to a more complete description of the topics presented below. See also the section entitled Where You Can Find More Information beginning on page 403 of this joint proxy statement/prospectus.

Information about the Companies (Page 159)

Medtronic

Medtronic is the global leader in medical technology. Medtronic was founded in 1949, incorporated as a Minnesota corporation in 1957 and today serves hospitals, physicians, clinicians, and patients in more than 140 countries worldwide. Medtronic is listed on the NYSE (ticker symbol MDT). Medtronic s principal executive offices are located at 710 Medtronic Parkway, Minneapolis, Minnesota 55432, and its telephone number is 763-514-4000.

Covidien

Covidien is a global healthcare products company that creates innovative medical solutions for better patient outcomes and delivers value through clinical leadership and excellence. Covidien develops, manufactures and sells a diverse range of industry-leading medical device and supply products. With 2013 revenue of $10.2 billion, as of September 27, 2013, Covidien has more than 38,000 employees worldwide in more than 70 countries, and its products are sold in over 150 countries. Covidien s principal executive offices are located at 20 On Hatch, Lower Hatch Street, Dublin 2, Ireland. The telephone number at this location is +353 1 438-1700.

Covidien Ltd. was incorporated in Bermuda in 2000 as a wholly owned subsidiary of Tyco International Ltd. (Tyco International). On June 29, 2007, Tyco International distributed all of the shares of Covidien Ltd. to Tyco International shareholders. In December 2008, the Covidien Ltd. board of directors approved moving Covidien s principal executive office from Bermuda to Ireland. On May 28, 2009, shareholders voted in favor of a reorganization proposal pursuant to which Covidien Ltd. common shares would be canceled and holders of such shares would receive ordinary shares of Covidien plc on a one-to-one basis. The reorganization transaction was completed on June 4, 2009, following approval from the Supreme Court of Bermuda, at which time Covidien plc replaced Covidien Ltd. as the ultimate parent company. Shares of the Irish company, Covidien plc, began trading on the NYSE on June 5, 2009, under the symbol COV, the same symbol under which Covidien Ltd. shares were previously traded.

On June 28, 2013, Covidien completed the spin-off of its Pharmaceuticals business to Covidien shareholders, through a distribution of all of the outstanding ordinary shares of Mallinckrodt plc, the company formed to hold Covidien s former Pharmaceuticals business (the 2013 separation).

New Medtronic

New Medtronic is a private limited company organized under the laws of Ireland (registered number 545333) for the purpose of holding Covidien, Medtronic, IrSub and U.S. AcquisitionCo as direct or indirect subsidiaries following completion of the transaction. To date, New Medtronic has not conducted any activities other than those incident to its formation, the execution of the Transaction Agreement, the preparation of applicable filings under the U.S. securities laws and regulatory filings made in connection with the proposed transaction, the execution of the Credit Agreements

(as defined herein) as the guarantor of the obligations of

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Medtronic as the initial borrower thereunder and other matters related to the transactions contemplated by the Transaction Agreement. On or prior to the completion of the transaction, New Medtronic will be converted, pursuant to the Irish Companies Acts, into a public limited company and renamed Medtronic plc. Following the consummation of the transaction, each of Medtronic and Covidien will be a direct or indirect subsidiary of New Medtronic. Immediately following the transaction, based on the number of Medtronic and Covidien shares outstanding as of November 18, 2014, the former shareholders of Medtronic are expected to own approximately 70% of New Medtronic and the remaining approximately 30% of New Medtronic is expected to be owned by the former shareholders of Covidien. At and as of the effective time of the transaction, which is referred to in this joint proxy statement/prospectus as the effective time, it is expected that New Medtronic will be a publicly traded company listed on the NYSE under the ticker symbol MDT. New Medtronic s registered office is located at 25 28 North Wall Quay, Dublin 1, Ireland, and its telephone number is +353 1 649-2000.

IrSub

IrSub is a private limited company organized under the laws of Ireland (registered number 545354) and currently a direct, wholly owned subsidiary of New Medtronic. To date, IrSub has not conducted any activities other than those incident to its formation, the execution of the Transaction Agreement, the preparation of regulatory filings made in connection with the proposed transaction and other matters related to the transactions contemplated by the Transaction Agreement. IrSub, along with New Medtronic, will acquire Covidien pursuant to a scheme of arrangement under Section 201, involving a cancellation of the issued share capital of Covidien under sections 72 and 74, of the Irish Companies Act 1963. IrSub s registered office is located at 25 28 North Wall Quay, Dublin 1, Ireland, and its telephone number is +353 1 649-2000.

U.S. AcquisitionCo

U.S. AcquisitionCo is a corporation incorporated in the State of Minnesota. To date, U.S. AcquisitionCo has not conducted any activities other than those incident to its formation, the execution of the Transaction Agreement, the preparation of regulatory filings made in connection with the proposed transaction and other matters related to the transactions contemplated by the Transaction Agreement. After completion of the transaction, Medtronic (as the surviving corporation in its merger with MergerSub) will be a direct, wholly owned subsidiary of U.S. AcquisitionCo and an indirect, wholly owned subsidiary of New Medtronic. U.S. AcquisitionCo s registered office is 100 South Fifth Street #1075, Minneapolis, Minnesota 55402, and its telephone number is 612-333-4315.

MergerSub

MergerSub is a limited liability company formed in the State of Minnesota and a direct, wholly owned subsidiary of U.S. AcquisitionCo. To date, MergerSub has not conducted any activities other than those incident to its formation, the execution of the Transaction Agreement, and the preparation of regulatory filings made in connection with the proposed transaction and other matters related to the transactions contemplated by the Transaction Agreement. Following the consummation of the transaction, MergerSub will merge with and into Medtronic, as a result of which the separate corporate existence of MergerSub will cease and Medtronic will continue as the surviving corporation, a direct, wholly owned subsidiary of U.S. AcquisitionCo and an indirect, wholly owned subsidiary of New Medtronic. MergerSub s registered office is 100 South Fifth Street #1075, Minneapolis, Minnesota 55402, and its telephone number is 612-333-4315.

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The Transaction (Page 82)

On June 15, 2014, Medtronic and Covidien entered into the Transaction Agreement by and among Covidien, Medtronic, New Medtronic, IrSub, U.S. AcquisitionCo, and MergerSub. Under the terms of the Transaction Agreement, (i) New Medtronic and IrSub will acquire Covidien pursuant to a scheme of arrangement under Section 201, involving a cancellation of the issued share capital of Covidien under sections 72 and 74, of the Irish Companies Act 1963 and (ii) MergerSub will merge with and into Medtronic, with Medtronic continuing as the surviving corporation in the merger. As a result of the transaction, both Medtronic and Covidien will become wholly owned subsidiaries of New Medtronic. Prior to the closing of the transaction, New Medtronic will re-register as a public limited company, the ordinary shares of which are expected to be listed on the NYSE under the symbol MDT.

Medtronic reserves the right, subject to the prior written approval of the Irish Takeover Panel, to effect the acquisition by way of a takeover offer, as an alternative to the scheme, in the event that a third party makes an alternative proposal to acquire Covidien or Medtronic considers that such a proposal is reasonably expected to be made (or another competitive situation (as defined in the Irish Takeover Rules) exists or may reasonably be expected to arise), subject to the terms of the Transaction Agreement. In such event, such takeover offer will be implemented on terms and conditions that are at least as favorable to Covidien shareholders (except for an acceptance condition set at 80 percent of the nominal value of the Covidien shares to which such offer relates and which are not already beneficially owned by Medtronic) as those which would apply in relation to the scheme, among other requirements.

Structure of the Transaction (Page 294)

Upon the completion of the transaction, each of Medtronic and Covidien will be wholly owned subsidiaries of New Medtronic. The following diagrams illustrate in simplified terms the current structure of New Medtronic, Medtronic and Covidien and the structure of New Medtronic following the consummation of the transaction.

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Following the closing of the transaction, it is expected that New Medtronic will engage in certain internal restructuring transactions to, among other things, facilitate future financings. These internal restructuring transactions include interposing Medtronic Global Holdings SCA, a partnership limited by shares incorporated in Luxembourg and a wholly owned indirect subsidiary of New Medtronic (Medtronic Luxco) and certain other entities between Medtronic plc and its operating subsidiaries. Medtronic Luxco is expected to be the issuer of future external indebtedness of the combined group and is expected to guarantee (together with Medtronic plc and potentially certain other subsidiaries) certain existing indebtedness of Medtronic, Covidien and their respective subsidiaries. Medtronic is the issuer of its existing indebtedness. Covidien International Finance S.A. is the issuer of Covidien s existing indebtedness, which is also guaranteed by Covidien and Covidien Ltd.

Transaction Consideration to Medtronic Shareholders (Page 294) and Scheme Consideration to Covidien Shareholders (Page 294)

As a result of the transaction, (i) each outstanding Medtronic common share will entitle its holder to receive one New Medtronic ordinary share from or at the direction of MergerSub in exchange for such Medtronic common share and (ii) each outstanding Covidien ordinary share (other than certain Covidien ordinary shares to be held by nominees on behalf of New Medtronic and/or IrSub in connection with the transaction) will entitle its holder to receive (x) $35.19 in cash and (y) 0.956 of a New Medtronic ordinary share in exchange for such Covidien ordinary share.

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Since Irish law does not recognize fractional shares held of record, New Medtronic will not issue any fractions of New Medtronic ordinary shares to Covidien shareholders or Medtronic shareholders in the transaction. Instead, the total number of New Medtronic ordinary shares that any Medtronic or Covidien shareholder would have been entitled to receive will be rounded down to the nearest whole number and all entitlements to fractional New Medtronic ordinary shares will be aggregated and sold by the exchange agent, with any sale proceeds being distributed in cash pro rata to the Covidien shareholders and Medtronic shareholders whose fractional entitlements have been sold.

Treatment of Medtronic Stock Options and Other Medtronic Equity-Based Awards (Page 295)

At the effective time of the merger, each outstanding Medtronic option, restricted stock award and other equity award will be converted into an option, restricted stock award or other equity award, as applicable, denominated in New Medtronic ordinary shares, which award will be subject to the same number of New Medtronic ordinary shares and the same terms and conditions (including vesting and other lapse restrictions) as were applicable to the Medtronic award in respect of which it was issued immediately prior to the effective time.

Treatment of Covidien Stock Options and Covidien Share Awards (Page 295)

Treatment of Covidien Options

Each option to purchase Covidien ordinary shares that is outstanding and unexercised immediately prior to the effective time of the scheme will be assumed by New Medtronic and will be converted into an option to acquire a number of New Medtronic ordinary shares (rounded down to the nearest whole share) equal to the product obtained by multiplying (a) the number of Covidien ordinary shares subject to the Covidien option by (b) the equity award conversion ratio (as defined below), at an exercise price (rounded up to the nearest whole cent) per New Medtronic ordinary share equal to the quotient obtained by dividing (i) the exercise price per Covidien ordinary share by (ii) the equity award conversion ratio. Each New Medtronic option as so assumed and converted will otherwise continue to have, and will otherwise be subject to, the same terms and conditions as applied to the applicable Covidien option immediately prior to the effective time of the scheme.

For purposes of this joint proxy statement/prospectus, equity award conversion ratio means the sum of (A) 0.956 plus (B) the quotient obtained by dividing $35.19 by the volume weighted average price of Medtronic common stock over a 10-trading day period that ends on the second to last trading day prior to the effective time of the scheme.

Treatment of Covidien Share Awards

For purposes of this joint proxy statement/prospectus, Covidien share award means an award denominated in Covidien ordinary shares, other than a Covidien option.

Covidien Share Awards Granted Prior to June 15, 2014. Each Covidien share award that is outstanding immediately prior to the effective time of the scheme and was granted prior to June 15, 2014 will be cancelled and converted into the right to receive the scheme consideration in respect of each Covidien ordinary share underlying the Covidien share award (including any corresponding dividend equivalent units), less applicable tax withholdings (which will be deducted first from the share portion of such consideration and then from the cash portion). For any performance-based Covidien share award (including any corresponding dividend equivalent units), the number of ordinary shares underlying the Covidien share award will be based on actual performance measured over a 60 trading day period that ends on the sixth business day prior to the effective time of the scheme.

Covidien Share Awards Granted On or After June 15, 2014. Each Covidien share award that is outstanding immediately prior to the effective time of the scheme and was granted on or after June 15, 2014 will be converted into a New Medtronic award with respect to a number of New Medtronic ordinary shares (rounded to the nearest

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whole share) equal to the product obtained by multiplying (a) the number of Covidien ordinary shares subject to the Covidien share award (including any corresponding dividend equivalent units) immediately prior to the effective time of the scheme by (b) the equity award conversion ratio. Each New Medtronic share award as so assumed and converted will continue to have, and will be subject to, the same terms and conditions as applied to the applicable Covidien share award immediately prior to the effective time of the scheme.

Comparative Per Share Market Price Data and Dividend Information (Page 322)

Medtronic common shares are listed on the NYSE under the symbol MDT. Covidien ordinary shares are listed on the NYSE under the symbol COV. The following table shows the closing prices of Medtronic common shares and Covidien ordinary shares as reported on the NYSE on June 13, 2014, the last trading day before the entry into the Transaction Agreement was announced, and on November 18, 2014, the last practicable day before the printing of this joint proxy statement/prospectus. This table also shows the equivalent value of the consideration per Covidien ordinary share, which was calculated by adding (i) the cash portion of the consideration to be paid to Covidien shareholders, or $35.19, and (ii) the closing price of Medtronic common shares as of the specified date multiplied by the exchange ratio of 0.956.

	Covidien Ordinary Shares	Medtronic Common Shares	Equivalent Value of Transaction Consideration Per Covidien Ordinary Share
June 13, 2014	$ 72.02	$ 60.70	$ 93.22
November 18, 2014	$ 98.09	$ 72.47	$ 104.47

Recommendation of the Medtronic Board of Directors and Medtronic s Reasons for the Transaction (Page 92)

The board of directors of Medtronic has unanimously approved the plan of merger contained in the Transaction Agreement and determined that the entry into the Transaction Agreement and the merger are fair to and in the best interests of Medtronic and its shareholders.

The Medtronic board of directors unanimously recommends that Medtronic shareholders vote:

FOR the proposal to adopt the plan of merger contained in the Transaction Agreement and approve the revised memorandum and articles of association of New Medtronic;

FOR the proposal to reduce the share premium account of New Medtronic to allow the creation of distributable reserves;

FOR the approval, on a non-binding, advisory basis, of specified compensatory arrangements between Medtronic and its named executive officers; and

FOR the proposal to approve adjournments of the special meeting to another time or place if necessary or appropriate (i) to solicit additional proxies if there are insufficient votes at the time of the Medtronic

special meeting to adopt the plan of merger contained in the Transaction Agreement and approve the revised memorandum and articles of association of New Medtronic, (ii) to provide to Medtronic shareholders in advance of the Medtronic special meeting any supplement or amendment to the joint proxy statement/prospectus or (iii) to disseminate any other information which is material to Medtronic shareholders voting at the Medtronic special meeting.

In reaching its decision on June 15, 2014, the Medtronic board of directors considered a number of factors as generally supporting its decision to enter into the Transaction Agreement, including, among others, the belief that the combination will support and accelerate Medtronic s three fundamental strategies, expanding market leadership through therapy innovation, increasing access to existing therapies through globalization, especially in emerging markets, and leading the transformation to value-based healthcare by leveraging the economic value of

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its products and services; the belief that the combination will also result in the diversification of Medtronic s revenue base due to a stronger foundation in emerging markets R&D and manufacturing and the addition of industry leading capabilities and expertise in general and advanced surgery and patient monitoring; and the belief that, due to such factors and the other reasons considered by the Medtronic board of directors, the transaction will result in enhanced value for Medtronic shareholders relative to Medtronic continuing as a standalone company. The Medtronic board of directors also considered a variety of risks and other potentially negative factors concerning the transaction, including, among others, the adverse impact that business uncertainty prior to the closing of the transaction and during the post-closing integration period could have on the ability of both Medtronic and Covidien to attract, retain and motivate key personnel; the challenges inherent in the combination of two business enterprises of the size and scope of Medtronic and Covidien, including the possibility that the anticipated cost savings and synergies and other benefits sought to be obtained from the transaction might not be achieved in the time frame contemplated or at all and the other numerous risks and uncertainties which could adversely affect New Medtronic s operating results; the risk that a change in applicable law with respect to Section 7874 of the Code (as defined under *Material Tax Consequences of the Proposed Transaction* below) or any other U.S. tax law, or official interpretations thereof, could cause New Medtronic to be treated as a U.S. domestic corporation for U.S. federal income tax purposes following the consummation of the transaction or otherwise adversely affect New Medtronic; and that the merger is expected to be taxable for U.S. federal income tax purposes to Medtronic shareholders, which could particularly affect long-term Medtronic shareholders with a low basis in their shares and could, among other things, lead them to sell some of their shares to provide the cash to pay the tax. For a more complete discussion of these and other factors considered by the Medtronic board, see *The Transaction Recommendation of the Medtronic Board of Directors and Medtronic s Reasons for the Transaction,* beginning on page 92 of this joint proxy statement/prospectus.

Subsequent to the issuance by the IRS and the U.S. Treasury Department of new guidance on September 22, 2014 announcing their intention to issue regulations interpreting multiple sections of the Code, including Section 7874, to address inversion transactions and transactions that Treasury and the IRS characterize as post-inversion tax avoidance transactions (the IRS Notice), the Medtronic board of directors held meetings on September 26, 2014 and October 2, 2014 to evaluate the potential impact of the rules proposed in the IRS Notice and consider what actions to take, if any, in response to the issuance of the IRS Notice. On October 2, 2014, all the members of the Medtronic board of directors present at the meeting unanimously expressed their approval of Medtronic s use of external indebtedness to finance the cash component of the scheme consideration and affirmed the board s continued support of the transaction.

In considering the recommendation of the Medtronic board of directors, you should be aware that directors and executive officers of Medtronic have interests in the proposed transaction that are in addition to, or different from, any interests they might have as shareholders. See *The Transaction Interests of Certain Persons in the Transaction Medtronic.*

Opinion of Medtronic s Financial Advisor (Page 99)

Perella Weinberg Partners LP, which we refer to in this joint proxy statement/prospectus as Perella Weinberg, rendered its oral opinion, subsequently confirmed in writing, to the Medtronic board of directors that, as of June 15, 2014, and based upon and subject to the various assumptions made, procedures followed, matters considered and qualifications and limitations set forth in the written opinion, the merger consideration of one New Medtronic ordinary share to be received for each share of Medtronic common stock (taking into account the acquisition) as provided for in the Transaction Agreement was fair, from a financial point of view, to the holders of Medtronic common stock (other than Medtronic and its subsidiaries).

The full text of Perella Weinberg s written opinion, dated June 15, 2014, which sets forth, among other things, the assumptions made, procedures followed, matters considered and qualifications and limitations on the

review undertaken by Perella Weinberg, is attached as Appendix E and is incorporated

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by reference herein. The opinion does not address Medtronic s underlying business decision to enter into the transaction or the relative merits of the transaction as compared with any other strategic alternative that may have been available to Medtronic. The opinion does not constitute a recommendation to any holder of Medtronic common stock or Covidien ordinary shares as to how such holder should vote or otherwise act with respect to the transaction or any other matter and does not in any manner address the prices at which Medtronic common stock or Covidien ordinary shares will trade at any time. In addition, Perella Weinberg expressed no opinion as to the fairness of the transaction, or any consideration received in connection with the transaction, to the holders of any other class of securities, creditors or other constituencies of Medtronic. Perella Weinberg provided its opinion for the information and assistance of the Medtronic board of directors in connection with, and for the purposes of its evaluation of, the transaction. This summary is qualified in its entirety by reference to the full text of the opinion.

On October 2, 2014, representatives of Perella Weinberg confirmed that the changes to the proposed financing, as described in *The Transaction Financing* beginning on page 123 of this joint proxy statement/prospectus, would not have impacted the financial analysis used by Perella Weinberg in rendering its fairness opinion delivered to the Medtronic board of directors as of June 15, 2014 in connection with the transaction.

For a description of the opinion that the Medtronic board of directors received from Perella Weinberg, see *The Transaction Opinion of Medtronic s Financial Advisor* beginning on page 99 of this joint proxy statement/prospectus.

Recommendation of the Covidien Board of Directors and Covidien s Reasons for the Transaction (Page 96)

The Covidien board of directors has unanimously approved the Transaction Agreement and determined that the Transaction Agreement and the transactions contemplated by the Transaction Agreement, including the scheme, were advisable for, fair to and in the best interests of Covidien and the Covidien shareholders, and that the terms of the scheme were fair and reasonable.

The Covidien board of directors unanimously recommends that Covidien shareholders vote:

FOR the scheme of arrangement at the special Court-ordered meeting;

FOR the scheme of arrangement at the EGM;

FOR the cancellation of any Covidien ordinary shares in issue before 10:00 p.m., Irish time, on the day before the Irish High Court hearing to sanction the scheme;

FOR the authorization of the directors of Covidien to allot and issue new Covidien shares, fully paid up, to New Medtronic and IrSub in connection with effecting the scheme;

FOR amendment of the articles of association of Covidien so that any ordinary shares of Covidien that are issued at or after 10:00 p.m., Irish time on the last business day before the scheme becomes effective are acquired by New Medtronic and/or IrSub for the scheme

consideration;

FOR the reduction of the share premium account of New Medtronic resulting from (i) the issuance of New Medtronic shares pursuant to the scheme and (ii) a subscription for New Medtronic shares by MergerSub prior to the merger, in order to create distributable reserves of New Medtronic; and

FOR the approval, on a non-binding, advisory basis of specified compensatory arrangements between Covidien and its named executive officers.

In reaching its decision, the Covidien board of directors considered a number of factors as generally supporting its decision to enter into the Transaction Agreement, including, among others, that the scheme

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consideration had an implied value per Covidien ordinary share of $93.22, based on the closing price of Medtronic shares as of June 13, 2014 (the last trading day prior to announcement of the transaction), which represented a 29.4% premium to the closing price per Covidien ordinary share on the same date; that the equity component of the scheme consideration offers Covidien shareholders the opportunity to participate in the future earnings and growth of the combined company, while the cash portion of the scheme consideration provides Covidien shareholders with immediate certainty of value; and that the Covidien board of directors believes that the combined company will have a comprehensive product portfolio, a diversified growth profile and broad geographic reach. The Covidien board of directors also considered a variety of risks and other potentially negative factors concerning the transaction including, among others, the risk that the transaction might not be completed in a timely manner or at all; risks related to Medtronic s business; risks related to certain terms of the Transaction Agreement (including restrictions on the conduct of Covidien s business prior to the completion of the transaction); risks related to the diversion of management and resources from other strategic opportunities; the fact that the scheme will be a fully taxable transaction for Covidien shareholders for U.S. federal income tax purposes; and challenges and difficulties relating to integrating the operations of Medtronic and Covidien. For a more complete discussion of these factors, see *The Transaction Recommendation of the Covidien Board of Directors and Covidien s Reasons for the Transaction*.

In considering the recommendation of the Covidien board of directors, Covidien shareholders should be aware that directors and executive officers of Covidien have interests in the proposed transaction that are in addition to, or different from, any interests they might have as shareholders. See *The Transaction Interests of Certain Persons in the Transaction Covidien*.

Opinion of Covidien s Financial Advisor (Page 110)

Goldman, Sachs & Co., which we refer to in this joint proxy statement/prospectus as Goldman Sachs, delivered its opinion to Covidien s board of directors that, as of June 15, 2014 and based upon and subject to the factors and assumptions set forth therein, the scheme consideration to be paid pursuant to the Transaction Agreement was fair from a financial point of view to the holders (other than Medtronic and its affiliates) of Covidien ordinary shares. On October 20, 2014, Goldman Sachs confirmed to Covidien s board of directors that had Goldman Sachs performed its financial analyses set forth in its presentation to the board of directors of Covidien on June 15, 2014 on the basis of the funding structure currently contemplated for the transaction (the Contemplated Funding Structure), there would have been no change to the conclusion set forth in its opinion, dated as of June 15, 2014. The confirmation did not address any circumstances, developments or events occurring after June 15, 2014, the date of the opinion, other than the Contemplated Funding Structure.

The full text of the written opinion of Goldman Sachs, dated June 15, 2014, which sets forth assumptions made, procedures followed, matters considered and limitations on the review undertaken in connection with the opinion, is attached as Annex F. The full text of the confirmation letter of Goldman Sachs, dated October 20, 2014, which sets forth assumptions made, procedures followed, matters considered and limitations on the review undertaken in connection with the letter, is attached as Annex G. Goldman Sachs provided its opinion and confirmation letter for the information and assistance of Covidien s board of directors in connection with its consideration of the transactions contemplated by the Transaction Agreement. Neither the Goldman Sachs opinion nor the Goldman Sachs confirmation letter is a recommendation as to how any holder of Covidien ordinary shares should vote with respect to the transaction or any other matter. This summary is qualified in its entirety by reference to the full text of the opinion.

For a description of the opinion that the Covidien board of directors received from Goldman Sachs, see *The Transaction Opinion of Covidien s Financial Advisor* beginning on page 110 of this joint proxy statement/prospectus.

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Interests of Certain Persons in the Transaction (Page 125)

Medtronic

In considering the recommendation of the Medtronic board of directors, Medtronic shareholders should be aware that Medtronic directors and executive officers have interests in the proposed transaction that are in addition to, or different from, any interests they may have as shareholders. Interests of Medtronic s directors and executive officers that may be in addition to, or different from, any interests of Medtronic s shareholders include that:

New Medtronic and/or Medtronic intend to provide a gross-up payment to each director and executive officer of Medtronic with respect to any excise taxes that may be imposed pursuant to Section 4985 of the Code, which excise tax is not applicable to other Medtronic shareholders. No Medtronic director or executive officer will receive a gross-up from New Medtronic or Medtronic in respect of any capital gains tax imposed on the exchange of Medtronic common shares held by such Medtronic director or executive officer in the transaction, and each Medtronic director and executive officer will be responsible for such capital gains tax just like any other Medtronic shareholder. The following table provides the estimated cost to Medtronic of providing a gross-up payment for Medtronic s named executive officers and directors in respect of the excise tax:

Name	Tax Reimbursement ($)(1)
Named Executive Officers	
Omar Ishrak	27,264,683
Gary L. Ellis	8,704,002
Christopher J. O Connell	7,598,248
Michael J. Coyle	6,010,270
Carol A. Surface	2,843,186
Non-Employee Directors	
Richard H. Anderson	864,760
Scott C. Donnelly	54,316
Shirley Ann Jackson	797,993
Michael O. Leavitt	184,422
James T. Lenehan	629,821
Elizabeth G. Nabel, M.D.	0
Denise M. O Leary	804,927
Kendall J. Powell	663,170
Robert C. Pozen	652,883
Preetha Reddy	109,613

(1) Such amounts consist of the estimated cost to Medtronic of the excise tax gross-up payments, which will be payable on behalf of Medtronic s named executive officers and directors, who along with certain other executives, become subject to the excise tax under Section 4985 of the Code as a result of the consummation of the transaction. Under the Code, the excise tax will become effective contemporaneously with the consummation of the transaction. Consequently, the amount of the payment that will be made will be calculated based on the closing price of Medtronic s stock as of the consummation of the transaction and each named executive officer s and director s relevant equity awards held as of that date. For purposes of the table

above, the payment is based on: (1) Medtronic s closing stock price, as of November 13, 2014, of $69.38; (2) the named executive officers and directors relevant stock-based compensation held as of November 13, 2014;

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(3) a 15% excise tax rate; (4) a maximum federal tax rate of 39.60% and average state tax rate of 8.5%; (5) the assumption that no stock options are exercised between November 13, 2014 and the consummation of the transaction; (6) the assumption that the transaction will be consummated on or before January 26, 2015; and (7) the assumption that no stock-based compensation is granted in the six months following the consummation of the transaction. The actual amount of the tax reimbursement for each affected executive and director will be determinable following the consummation of the transaction.

The estimated aggregate cost to Medtronic of providing excise tax gross-up payments for the Medtronic and New Medtronic executive officers not set forth in the table (which includes five additional Medtronic executive officers and Bryan Hanson who is currently a named executive officer of Covidien and who has agreed upon the terms of a letter of intent with New Medtronic pursuant to which he is expected to become an executive officer of New Medtronic) is approximately $14.6 million. The total estimated cost to Medtronic of providing excise tax gross-up payments for all Medtronic and Covidien executive officers and directors is approximately $72 million. The value of the payments is based on certain assumptions as set forth in *The Transaction Interests of Certain Persons in the Transaction Medtronic Excise Tax Gross-Up*.

Medtronic s directors and executive officers are entitled to continued indemnification and insurance coverage under Medtronic s organizational documents, Minnesota law and the Transaction Agreement.

These interests are discussed in more detail in the section entitled *The Transaction Interests of Certain Persons in the Transaction Medtronic* beginning on page 125. The Medtronic board of directors was aware of the additional or different interests set forth herein (other than any interests that arose following Medtronic s entry into the Transaction Agreement) and considered such interests along with other matters in approving the Transaction Agreement and the proposed transaction.

Covidien

In considering the recommendation of the Covidien board of directors, Covidien shareholders should be aware that directors and executive officers of Covidien have interests in the proposed transaction that are in addition to, or different from, any interests they may have as shareholders. Interests of Covidien s directors and executive officers that may be in addition to, or different from, any interests of Covidien s shareholders include:

The Transaction Agreement provides (1) for the assumption by New Medtronic of (a) all outstanding Covidien options and (b) all Covidien share awards granted on or after June 15, 2014, and (2) for the vesting and settlement of all Covidien share awards granted prior to June 15, 2014. In addition, pursuant to the terms of the Covidien stock plan and applicable award agreements, Covidien share awards held by directors who cease to provide services to Covidien as a result of the transaction will become fully vested as of the effective time of the scheme.

Covidien s executive officers are covered by Covidien s change in control severance plan, which provides for severance benefits in the event of certain qualifying terminations of employment in connection with or following the transaction.

Under the Transaction Agreement, Covidien may enter into an agreement with each director and executive officer of Covidien providing for a gross-up with respect to any excise taxes that may be imposed pursuant to Section 4985 of the Code, which excise tax is not applicable to other Covidien shareholders. No Covidien director or executive officer will receive a gross-up from New Medtronic or Covidien in respect of any capital gains tax imposed on the exchange of Covidien ordinary shares held by such Covidien director or executive officer in the transaction, and each Covidien director and executive officer will be responsible for such capital gains tax just like any other Covidien shareholder.

The Transaction Agreement provides that two members of the Covidien board of directors as of June 15, 2014 will serve on the board of directors of New Medtronic following the effective time of the scheme.

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Covidien s directors and executive officers are entitled to continued indemnification and insurance coverage under indemnification agreements, Covidien s organizational documents and the Transaction Agreement.

Following Covidien s entry into the Transaction Agreement, Bryan Hanson, who is currently a named executive officer of Covidien, and Michael Tarnoff, who is currently an executive officer of Covidien, each agreed upon the terms of a letter of intent with Medtronic providing for the terms of the executive s employment with New Medtronic following the closing of the transaction. Mr. Hanson is expected to become an executive officer of New Medtronic. Further to Rule 16.2 of the Irish Takeover Rules, Covidien shareholders will receive a separate communication relating to these incentivisation arrangements.

These interests are discussed in more detail in the section entitled *The Transaction Interests of Certain Persons in the Transaction Covidien* beginning on page 129. The Covidien board of directors was aware of the additional or different interests set forth herein (other than any interests that arose following Covidien s entry into the Transaction Agreement) and considered such interests along with other matters in approving the Transaction Agreement and the proposed transaction.

Other Compensation Matters

With respect to change of control agreements Medtronic has entered into with its executive officers, the proposed transaction does not constitute a change of control.

Board of Directors and Management after the Transaction (Page 136)

Pursuant to the Transaction Agreement, effective as of the closing of the transaction, the board of directors of New Medtronic is expected to have thirteen members, consisting of (i) no more than 11 individuals who were members of the Medtronic board of directors immediately prior to the effective time and (ii) two individuals who were members of the Covidien board of directors as of June 15, 2014, to be selected by the Nominating and Corporate Governance Committee of the Medtronic board of directors in consultation with Covidien.

As of the date of this joint proxy statement/prospectus, the Nominating and Corporate Governance Committee of the Medtronic board of directors has not finally determined which Covidien directors will be designated to the board of directors of New Medtronic. The two Covidien directors who will serve on the New Medtronic board will be selected prior to the completion of the transaction.

The New Medtronic senior management team after the acquisition and the merger is expected to be the same as the current senior management team of Medtronic with the addition of Mr. Hanson and possibly one or more additional members of the senior management team of Covidien. Prior to the closing, New Medtronic may enter into employment arrangements with certain individuals currently employed by Covidien, including certain of Covidien s executive officers. New Medtronic has agreed upon the terms of a letter of intent with each of Mr. Hanson and Dr. Tarnoff regarding their anticipated employment with New Medtronic following the closing, and New Medtronic may enter into employment arrangements or other similar arrangements with certain additional individuals currently employed by Covidien, including certain of Covidien s other executive officers.

Material Tax Consequences of the Proposed Transaction (Page 140)

Medtronic

For U.S. federal income tax purposes, the receipt of New Medtronic ordinary shares and cash in lieu of fractional New Medtronic ordinary shares in exchange for Medtronic common shares pursuant to the merger will be a taxable transaction. A U.S. holder of Medtronic shares will generally recognize taxable gain or loss equal to the difference between (1) the holder s adjusted tax basis in the Medtronic common shares surrendered in the

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exchange and (2) the sum of the fair market value of the New Medtronic ordinary shares and any cash in lieu of fractional New Medtronic ordinary shares received as consideration in the merger. In certain circumstances, Section 304 of the Internal Revenue Code of 1986, as amended (the Code), could cause a U.S. holder of Medtronic shares whose percentage interest in New Medtronic after the proposed transaction and related purchases or sales is greater than or equal to such U.S. holder s percentage interest in Medtronic immediately before the transaction (for example, as a result of having a higher percentage ownership in Covidien than in Medtronic) to be treated as receiving a dividend up to the fair market value of the New Medtronic ordinary shares (plus any cash in lieu of fractional shares) issued in the merger, regardless of such holder s gain or loss on its Medtronic shares. Non-U.S. holders may be subject to withholding tax in certain circumstances, regardless of whether they receive any cash consideration. See *Material Tax Consequences of the Proposed Transaction U.S. Federal Income Tax Treatment of the Proposed Transaction Tax Consequences of the Merger to Holders of Medtronic Common Shares* beginning on page 142 of this joint proxy statement/prospectus.

A holder that actually or constructively owns both Medtronic common shares and Covidien ordinary shares should consult its own tax advisors regarding the possible desirability of selling its shares in either Medtronic or Covidien prior to the transaction, or of selling its shares in New Medtronic immediately after the transaction. See the discussions below under *Material Tax Consequences of the Proposed Transaction U.S. Federal Income Tax Treatment of the Proposed Transaction Tax Consequences of the Merger to Holders of Medtronic Common Shares Special Consequences of the Merger to Holders of Medtronic Common Shares That Also Own Covidien Ordinary Shares, or That Acquire Additional New Medtronic Ordinary Shares in Connection with the Transaction* and *Tax Consequences of the Scheme to Holders of Covidien Ordinary Shares Special Consequences of the Scheme to Holders of Covidien Ordinary Shares That Also Own Medtronic Common Shares, or That Acquire Additional New Medtronic Ordinary Shares in Connection with the Transaction.*

For Irish tax purposes, the receipt of New Medtronic ordinary shares and cash in lieu of fractional New Medtronic ordinary shares in exchange for Medtronic common shares pursuant to the merger should not be within the charge to Irish capital gains tax in the case of Medtronic shareholders who are neither resident nor ordinarily resident in Ireland for Irish tax purposes and who do not hold their shares in connection with a trade carried on by such shareholders through an Irish branch or agency. See *Material Tax Consequences of the Proposed Transaction Irish Tax Considerations Irish Tax on Chargeable Gains.*

Covidien

For U.S. federal income tax purposes, the receipt of cash and New Medtronic ordinary shares for Covidien ordinary shares pursuant to the scheme of arrangement will be a taxable transaction. A U.S. holder of Covidien ordinary shares will generally recognize taxable gain or loss equal to the difference between (1) the holder s adjusted tax basis in the Covidien ordinary shares surrendered in the exchange and (2) the sum of the fair market value of the New Medtronic ordinary shares and the amount of cash (including cash in lieu of fractional New Medtronic ordinary shares) received in the scheme. In certain circumstances, Section 304 of the Code could cause a U.S. holder of Covidien shares whose percentage interest in New Medtronic after the proposed transaction and related purchases or sales is greater than or equal to such U.S. holder s percentage interest in Covidien immediately before the transaction (for example, as a result of having a higher percentage ownership in Medtronic than in Covidien prior to the proposed transaction) to be treated as receiving a dividend up to the entire amount of the cash consideration paid in the scheme, regardless of such holder s gain or loss on its Covidien shares. See *Material Tax Consequences of the Proposed Transaction U.S. Federal Income Tax Treatment of the Proposed Transaction Tax Consequences of the Scheme to Holders of Covidien Ordinary Shares* beginning on page 146 of this joint proxy statement/prospectus.

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A holder that actually or constructively owns both Medtronic common shares and Covidien ordinary shares should consult its own tax advisors regarding the possible desirability of selling its shares in either Medtronic or Covidien prior to the transaction, or of selling its shares in New Medtronic immediately after the transaction. See the discussions below under *Material Tax Consequences of the Proposed Transaction U.S. Federal Income Tax Treatment of the Proposed Transaction Tax Consequences of the Merger to Holders of Medtronic Common Shares Special Consequences of the Merger to Holders of Medtronic Common Shares That Also Own Covidien Ordinary Shares, or That Acquire Additional New Medtronic Ordinary Shares in Connection with the Transaction* and *Tax Consequences of the Scheme to Holders of Covidien Ordinary Shares Special Consequences of the Scheme to Holders of Covidien Ordinary Shares That Also Own Medtronic Common Shares, or That Acquire Additional New Medtronic Ordinary Shares in Connection with the Transaction*.

For Irish tax purposes, the receipt of cash and New Medtronic ordinary shares for Covidien ordinary shares pursuant to the scheme of arrangement should not be within the charge to Irish capital gains tax in the case of Covidien shareholders who are neither resident nor ordinarily resident in Ireland for Irish tax purposes and who do not hold their shares in connection with a trade carried on by such shareholders through an Irish branch or agency. See *Material Tax Consequences of the Proposed Transaction Irish Tax Considerations Irish Tax on Chargeable Gains* and *Medtronic / Covidien S-4 Excerpts Part 2 Explanatory Statement clause 10 Taxation.*

Legal Proceedings Regarding the Transaction (Page 157)

On July 2, 2014, a putative shareholder class action complaint was filed in the District Court, Fourth Judicial District, of Hennepin County, Minnesota (the Minnesota Court), by a purported shareholder of Medtronic under the caption *Merenstein v. Medtronic, Inc., et al*., 27-CV-14-11452, and on August 21, 2014, a putative shareholder class action complaint was filed in that same court by a purported shareholder of Medtronic under the caption *Steiner v. Richard H. Anderson, et al*., 27-CV-14-14420. By an Order dated September 26, 2014, the Minnesota Court consolidated the two actions and all cases subsequently filed or transferred into Minnesota Court into a single action under the caption *In re Medtronic, Inc. Stockholder Litigation*, 27-CV-14-11452. On September 30, 2014, the plaintiffs in the consolidated action filed a consolidated amended class action complaint asserting various causes of action arising under Minnesota law against certain current and former members of Medtronic s board of directors, including that they allegedly breached fiduciary duties in connection with the transaction, and against Medtronic, New Medtronic, Covidien, U.S. AcquisitionCo. and MergerSub, including for allegedly aiding and abetting the purported breaches of fiduciary duty. The plaintiffs seek, among other things, an order enjoining or rescinding the transaction and an award of attorney s fees and other fees and costs. Defendants believe their actions are fully consistent with their fiduciary duties and applicable law, and that the complaint alleges derivative claims pursuant to which the plaintiffs are required to make a demand on the company s board of directors. On October 10, 2014, the defendants moved to dismiss the complaint and a hearing was set for January 8, 2015. The court is holding that same January 8, 2015 date to hear any application from the plaintiffs to preliminarily enjoin the defendants from effectuating the transaction.

On September 19, 2014, a shareholder derivative action was filed in the United States District Court for the District of Minnesota by a purported shareholder of Medtronic under the caption *William A. Houston v. Omar Ishrak, et al.*, 14-cv-03540, and on October 3, 2014, a shareholder derivative action was filed in the United States District Court for the District of Minnesota by a purported shareholder of Medtronic, captioned *Clark* v. *Omar Ishrak, et al.*, 14-cv-04142. The actions name as defendants certain current members of Medtronic s board of directors and certain of Medtronic s officers, and also name Medtronic as a nominal defendant. The complaints assert various causes of action under Minnesota law, including that the individual defendants allegedly breached fiduciary duties in providing for excise tax reimbursements to certain individuals who were and/or are directors and executive officers of Medtronic in connection with the Transaction. In addition, the *Houston* complaint asserts a claim under Rule 14a-9, promulgated under Section 14(a) of the Securities Exchange Act of 1934, on the ground that this joint proxy statement/prospectus

purportedly omits material facts. By an Order dated October 14, 2014, the United States District Court for the District of Minnesota consolidated the *Houston* and

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Clark actions. Among other things, the Order provides that the defendants do not need to respond to the actions until after a consolidated complaint is filed. While defendants have not yet received the consolidated complaint, they believe their actions are fully consistent with their fiduciary duties. On October 23, 2014, the plaintiffs moved for a preliminary injunction seeking to enjoin the gross-up payment in respect of the excise tax, which the defendants intend to oppose. A hearing has been scheduled for December 16, 2014.

On July 10, 2014, a putative shareholder class action complaint was filed in the United States District Court for the District of Massachusetts by a purported shareholder of Covidien under the caption *Taxman v. Covidien plc, et al.,* 14-cv-12949. The action names as defendants the members of the Covidien board of directors, and alleges that Covidien s directors breached fiduciary duties in connection with the transaction because, among other things, the transaction allegedly involves an unfair price, a conflicted and unfair process, self-dealing, and unreasonable deal protection devices. The action also names as defendants Covidien, Medtronic, New Medtronic, IrSub, U.S. AcquisitionCo and MergerSub, and alleges that these defendants aided and abetted the purported breaches of fiduciary duty. On August 11 and 26, 2014, respectively, two putative shareholder class action complaints were filed in the United States District Court for the District of Massachusetts by purported shareholders of Covidien under the captions *Lipovich v. Covidien plc, et al.,* 14-cv-13308 and *Rosenfeld Family Foundation v. Covidien plc, et al.,* 14-cv-13490, respectively. The actions name Covidien and the members of the Covidien board of directors as defendants, and allege that the defendants disseminated a preliminary proxy statement in connection with the transaction that contains material omissions and misrepresentations in violation of federal securities laws. The alleged omissions and misrepresentations concern (i) the process leading to the proposed transaction; (ii) the financial analyses performed by Covidien s and Medtronic s financial advisors; (iii) the selection of Covidien s financial advisor; (iv) the compensation Covidien s financial advisor received for services rendered to the parties involved in the transaction in prior years; and (v) Covidien s, Medtronic s and the combined company s financial projections. The complaints further allege that the conduct of Covidien s directors constitutes shareholder oppression in violation of Irish law because, among other things, the transaction allegedly involves an unfair price, a deficient and conflicted sales process, self-dealing, and unreasonable deal protection devices. The plaintiffs seek, among other things, an order enjoining or rescinding the transaction and an award of attorney s and other fees and costs. The defendants believe the complaints are without merit. On October 20, 2014, the plaintiff in the *Rosenfeld* action and another purported shareholder of Covidien filed a motion seeking to consolidate the *Taxman*, *Lipovich*, and *Rosenfeld* actions, and on November 14, 2014, the United States District Court for the District of Massachusetts granted that motion.

On August 26, 2014, a putative shareholder class action complaint was filed in the Superior Court of the Commonwealth of Massachusetts, Suffolk County, by a purported shareholder of Covidien under the caption *Cobb v. Covidien plc, et al.,* SUCV2014-02733-BLS2. The action names as defendants Covidien and the members of the Covidien board of directors, and alleges that Covidien s directors breached fiduciary duties in connection with the transaction because, among other things, the transaction allegedly involves an unfair price, a conflicted and unfair sales process, self-dealing and unreasonable deal protection devices. The complaint further alleges that the directors breached fiduciary duties by disseminating a registration statement in connection with the transaction that contains material omissions and misleading statements. The alleged omissions and misleading statements generally concern (i) the process leading to the proposed transaction; (ii) the financial analyses performed by Covidien s and Medtronic s financial advisors; (iii) the compensation Covidien s financial advisor received for services rendered to the parties involved in the transaction in prior years; and (iv) Covidien s financial projections. The action also names as defendants Medtronic, New Medtronic, IrSub, U.S. AcquisitionCo and MergerSub, and alleges that these defendants aided and abetted the purported breaches of fiduciary duty. The plaintiff seeks, among other things, an order enjoining or rescinding the transaction, damages if the transaction is consummated and an award of attorney s and other fees and costs. The defendants believe the complaint is without merit.

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No Dissenters Rights (Page 139)

Under the Minnesota Business Corporations Act (the MBCA), holders of Medtronic common shares do not have appraisal or dissenters rights with respect to the merger or any of the other transactions described in this joint proxy statement/prospectus.

Under Irish law, holders of Covidien ordinary shares do not have appraisal or dissenters rights with respect to the acquisition or any of the other transactions described in this joint proxy statement/prospectus.

Regulatory Approvals Required (Page 138)

United States Antitrust

Under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the rules and regulations promulgated thereunder by the U.S. Federal Trade Commission (the FTC) (the HSR Act), the acquisition cannot be consummated until, among other things, notifications have been given and certain information has been furnished to the FTC and the Antitrust Division of the U.S. Department of Justice (the Antitrust Division), and specified waiting period requirements have been satisfied. On July 7, 2014, each of Medtronic and Covidien filed a Pre-Merger Notification and Report Form pursuant to the HSR Act with the Antitrust Division and the FTC. On August 6, 2014, each of Medtronic and Covidien received a request for additional information and documentary material (the second request). Issuance of the second request extends the waiting period under the HSR Act until 11:59 p.m. (Eastern Time in the U.S.) on the 30th day after Medtronic and Covidien have substantially complied with the second request, unless the waiting period is terminated earlier by the FTC or Medtronic and Covidien otherwise agree. In order to further their cooperation with the FTC, Medtronic and Covidien have informed the FTC that they will not close the transaction prior to December 7, 2014 without prior FTC clearance. On October 31, 2014, in order to obtain clearance of the transaction under the HSR Act, an affiliate of Covidien entered into an Asset Purchase Agreement with The Spectranetics Corporation (Spectranetics) to divest certain assets (the Divestiture Transaction) related to Covidien s over the wire percutaneous transluminal angioplasty balloon catheter with a paclitaxel coated balloon (the DCB Assets). The DCB Assets include, among other things, the intellectual property, machinery and equipment, and inventories of finished products and raw materials primarily used in connection with the drug-coated balloon catheter. Covidien will receive $30 million in cash to divest the DCB Assets. Additionally, as discussed under *Risk Factors Risks Relating to the Transaction*, as a result of the Divestiture Transaction, Covidien has recorded a pre-tax impairment charge of $94 million in its fourth quarter results. The closing of the Divestiture Transaction is expected to occur shortly following completion of the transaction, subject to receipt of necessary regulatory approvals.

In connection with the Asset Purchase Agreement, Covidien and Spectranetics will enter into a Product Supply Agreement, pursuant to which Covidien will agree to supply certain angioplasty balloon catheter products to Spectranetics, subject to the terms and conditions set forth in the Supply Agreement. The Supply Agreement will have an initial two-year term, with an option for Spectranetics to renew the term for an additional year under certain circumstances. In addition, Covidien and Spectranetics will enter into a Transition Services Agreement, pursuant to which Covidien will provide certain transition services to Spectranetics for up to 24 months following the closing date of the Divestiture Transaction, subject to extension under certain circumstances. See *Risk Factors Risks Relating to the Transaction* for further discussion.

Other Regulatory Clearances

Medtronic and Covidien derive revenues in other jurisdictions where merger or acquisition control filings or clearances are or may be required, including clearance by the European Commission and in Canada, China, Israel,

Japan, Russia, South Korea, and Turkey. The transaction cannot be consummated until after the applicable

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waiting periods have expired or the relevant approvals have been obtained under the antitrust and competition laws of the countries listed above where merger control filings or approvals are or may be required. China s Ministry of Commerce accepted the parties merger control filing for review on August 19, 2014 and initiated a phase II review of the transaction on September 18, 2014. The parties are cooperating with the Ministry of Commerce to facilitate its review of the transaction. On October 10, 2014, Medtronic notified the European Commission of the transaction pursuant to Council Regulation (EC) No. 139/2004. Additionally, the necessary clearances in Israel, Japan, Russia and Turkey have been received and the applicable waiting period in Canada has expired.

Irish Court Approvals

The scheme of arrangement requires the approval of the Irish High Court, which involves an application by Covidien to the Irish High Court to sanction the scheme. The Irish High Court must also confirm the reduction of capital of Covidien that would be effected by EGM resolution #2, which is a necessary step in the implementation of the scheme. Covidien intends to issue an application to the Irish High Court to set a date for the hearing to sanction the scheme and the reduction of capital, which hearing will not occur until after the special meetings of the Medtronic and Covidien shareholders and following the receipt of all required regulatory approvals. The precise timing of Covidien s application will depend on the expected timing of the receipt of any outstanding regulatory approvals once the requisite Medtronic and Covidien shareholder approvals are obtained. The date ultimately set by the Irish High Court for the sanction hearing is at the Court s discretion and will depend on a number of factors, including court availability.

The creation of distributable reserves of New Medtronic, which involves a reduction of New Medtronic s share premium account, also requires the approval of the Irish High Court. See *Creation of Distributable Reserves of New Medtronic.*

Listing of New Medtronic Ordinary Shares on the New York Stock Exchange (Page 336)

New Medtronic ordinary shares are currently not traded or quoted on a stock exchange or quotation system. New Medtronic expects that, following the transaction, New Medtronic ordinary shares will be listed for trading under the symbol MDT on the NYSE.

Conditions to the Completion of the Acquisition and the Merger (Page 308)

The scheme and the completion of the acquisition is subject to the satisfaction (or waiver, to the extent permitted) of all of the following conditions:

- the approval of the scheme by the Covidien shareholders at the special Court-ordered meeting (or at any adjournment of such meeting);
- certain of the EGM resolutions being duly passed by the Covidien shareholders at the EGM (or at any adjournment of such meeting);
- the Irish High Court s sanction of the scheme of arrangement (without material modification) and confirmation of the reduction of the share premium account and registration with the Registrar of Companies;

the adoption of the plan of merger set forth in the Transaction Agreement by Medtronic shareholders as required by the MBCA and Article I of the bylaws of Medtronic;

the NYSE having authorized, and not withdrawn its authorization, for listing all of the New Medtronic ordinary shares to be issued in connection with the acquisition and the merger, subject to satisfaction of any conditions to which such approval is expressed to be subject;

all applicable waiting periods under the HSR Act in connection with the acquisition and/or the merger having expired or having been terminated;

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the European Commission deciding that it does not intend to initiate any proceedings under Article 6(1)(c) of the Council Regulation (EC) No. 139/2004 (the EC Merger Regulation) in respect of the acquisition or to refer the acquisition (or any aspect of the acquisition) to a competent authority of an European Economic Area (EEA) member state under Article 9(1) of the EC Merger Regulation or otherwise deciding that the acquisition is compatible with the common market pursuant to Article 6(1)(b) of the EC Merger Regulation;

all required clearances having been obtained and remaining in full force and effect and applicable waiting periods having expired, lapsed or been terminated (as appropriate), in each case in connection with the acquisition and/or the merger, under the antitrust, competition or foreign investment laws of Canada, China, Israel, Japan, Turkey, Russia and South Korea;

the registration statement on Form S-4 of which this joint proxy statement/prospectus is a part having become effective under the Securities Act of 1933 and not being the subject of any stop order or proceedings initiated by the U.S. Securities and Exchange Commission (SEC) seeking any stop order;

no (i) law, (ii) injunction, restraint or prohibition by any court of competent jurisdiction or (iii) injunction, restraint or prohibition under any antitrust order by any relevant authority which prohibits consummation of the acquisition or the merger having been enacted or entered and continuing to be in effect;

there having been no change in applicable law (whether or not such change in law is yet effective) with respect to Section 7874 of the Code (or any other U.S. tax law), or official interpretation thereof as set forth in published guidance by the Internal Revenue Service (IRS) (other than IRS News Releases) (whether or not such change in official interpretation is yet effective), and no bill that would implement such a change has been passed in identical (or substantially identical such that a conference committee is not required prior to submission of such legislation for the President s approval or veto) form by both the United States House of Representatives and the United States Senate and for which the time period for the President of the United States to sign or veto such bill has not yet elapsed, in each case, that, once effective, in the opinion of nationally recognized U.S. tax counsel, would cause New Medtronic to be treated as a United States domestic corporation for United States federal income tax purposes; and

the Transaction Agreement not having been terminated in accordance with its terms.

In addition, Medtronic s and Covidien s obligation to effect the acquisition is conditioned upon:

the accuracy of the other party s representations and warranties, subject to specified materiality standards;

the performance by the other party of its obligations and covenants under the Transaction Agreement in all material respects; and

the delivery by the other party of an officer s certificate certifying such accuracy of its representations and warranties and such performance of its obligations and covenants.

If Medtronic is required to make an offer for Covidien shares under the provisions of Rule 9 of the Irish Takeover Rules, Medtronic may make such alterations to the conditions set forth above as are necessary to comply with the provisions of that rule. Additionally, as required by Rule 12(b)(i) of the Irish Takeover Rules, to the extent that the acquisition would give rise to a concentration with a Community dimension within the scope of the EC Merger Regulation, the scheme will, except as otherwise approved by the Panel, lapse if the European Commission initiates proceedings in respect of that concentration under Article 6(1)(c) of the EC Merger Regulation or refers the concentration to a competent authority of a member state under Article 9(1) of the EC Merger Regulation prior to the date of the special Court-ordered meeting.

The Acquisition is also conditioned on the scheme becoming effective and unconditional by not later than June 15, 2015 (or earlier if required by the Panel or later if the parties agree and, if required, the Panel consents

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and the Irish High Court allows). In addition, the scheme will lapse unless it is effective on or prior to June 15, 2015. The merger is conditioned only upon the consummation and implementation of the scheme and the acquisition. See *The Transaction Agreement Conditions to the Completion of the Acquisition and the Merger* beginning on page 308 of this joint proxy statement/prospectus. The complete text of the conditions appendix is attached as Annex B to this joint proxy statement/prospectus.

Termination of the Transaction Agreement (Page 310)

The Transaction Agreement may be terminated at any time prior to the time the scheme becomes effective in any of the following ways:

by mutual written consent of Medtronic and Covidien;

by either Medtronic or Covidien:

if (i) after completion of the special Court-ordered meeting or the EGM, the necessary resolutions have not been approved by the requisite votes, or (ii) after completion of the Medtronic shareholders meeting, the necessary Medtronic shareholder approval has not been obtained;

subject to certain exceptions, if the transaction has not been consummated by 5:00 p.m., New York City time, on March 15, 2015, subject to an extension to June 15, 2015, in certain circumstances if the only outstanding unsatisfied conditions relate to antitrust approval;

if the Irish High Court declines or refuses to sanction the scheme, unless both parties agree in writing that the decision of the Irish High Court will be appealed;

subject to certain exceptions, if an injunction that permanently restrains, enjoins or otherwise prohibits the consummation of the acquisition or the merger has become final and non-appealable; or

if there has been a change in applicable law (whether or not such change in law is yet effective) with respect to Section 7874 of the Code (or any other U.S. tax law), or official interpretation thereof as set forth in published guidance by the IRS (other than IRS News Releases) (whether or not such change in official interpretation is yet effective), or there has been a bill that would implement such a change passed in identical (or substantially identical such that a conference committee is not required prior to submission of such legislation for the President s approval or veto) form by both the United States House of Representatives and the United States Senate and for which the time period for the President of the United States to sign or veto such bill has not yet elapsed, in each case, that, once effective, in the opinion of nationally recognized U.S. tax counsel, would cause New Medtronic to be treated as a United States domestic corporation for United States federal income tax purposes;

by Covidien:

in certain circumstances if Medtronic, New Medtronic, IrSub, U.S. AcquisitionCo or MergerSub breaches or fails to perform in any material respect any of its covenants or other agreements contained in the Transaction Agreement or if any of its representations or warranties set forth in the Transaction Agreement are inaccurate such that certain closing conditions are incapable of being satisfied and the breach is not reasonably capable of being cured by March 15, 2015 (or, if extended in certain circumstances under which the only outstanding unsatisfied conditions relate to antitrust approval, June 15, 2015);

prior to obtaining Covidien shareholder approval, in order to enter into an agreement providing for a Covidien Superior Proposal (as defined herein); or

by Medtronic:

in certain circumstances if Covidien breaches or fails to perform in any material respect any of its covenants or other agreements contained in the Transaction Agreement or if any of its representations

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or warranties set forth in the Transaction Agreement are inaccurate such that certain closing conditions are incapable of being satisfied and the breach is not reasonably capable of being cured by March 15, 2015 (or, if extended in certain circumstances under which the only outstanding unsatisfied conditions relate to antitrust approval, June 15, 2015).

Reverse Termination Payment

If the Transaction Agreement is terminated by Covidien or Medtronic after a Medtronic shareholder vote against the adoption of the plan of merger contained in the Transaction Agreement following a change in recommendation by the board of directors of Medtronic with respect thereto, then Medtronic must pay $850,000,000 to Covidien, provided that either (i) Covidien shareholders have approved the scheme at the special Court-ordered meeting and the necessary resolutions to effect the transaction at the EGM or (ii) Medtronic has effected such termination prior to the special Court-ordered meeting and the EGM being completed. See *The Transaction Agreement Termination* beginning on page 310 of this joint proxy statement/prospectus.

Expenses Reimbursement Agreement (Page 313)

In connection with the execution of the Transaction Agreement, Medtronic and Covidien entered into an expenses reimbursement agreement, the terms of which have been approved by the Irish Takeover Panel (for the purposes of Rule 21 of the Irish Takeover Rules only). Under the expenses reimbursement agreement, Covidien has agreed to pay to Medtronic the documented, specific and quantifiable third-party costs and expenses incurred by Medtronic in connection with the acquisition upon the termination of the Transaction Agreement in specified circumstances. The maximum amount payable by Covidien to Medtronic pursuant to the expenses reimbursement agreement (the Expense Reimbursement Amount) is an amount equal to 1% of the aggregate value of the issued share capital of Covidien as ascribed by the terms of the acquisition. The cap on the Expense Reimbursement Amount is approximately $429 million. It is possible that actual costs may be less than the Expense Reimbursement Amount (in which case Covidien will be obligated to reimburse the amount of such costs) or may exceed the Expense Reimbursement Amount (in which case Medtronic will not be reimbursed for the full amount of its transaction-related costs).

See *Expenses Reimbursement Agreement* beginning on page 313 of this joint proxy statement/prospectus. The complete text of the expenses reimbursement agreement is attached as Annex C to this joint proxy statement/prospectus.

Financing Relating to the Transaction (Page 315)

General

Medtronic initially contemplated financing a substantial portion of the cash component of the scheme consideration through an intercompany loan from one or more of its non-U.S. subsidiaries to IrSub. However, as announced on October 3, 2014, following the September 22, 2014 announcement by the U.S. Treasury Department and the IRS, Medtronic now expects that it will incur approximately $16.3 billion in external indebtedness to finance the cash component of the scheme consideration. Medtronic expects that a substantial portion of such external indebtedness will be incurred by Medtronic prior to the consummation of the transaction and will be guaranteed by New Medtronic. As a result, Medtronic, or its affiliates, will have a sufficient amount of cash available to it by the time of the consummation of the transaction to fund the cash component of the scheme consideration.

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Bridge Credit Agreement

On November 7, 2014, Medtronic entered into a 364-day senior unsecured bridge credit agreement (the Bridge Credit Agreement), among Medtronic, New Medtronic, Medtronic Luxco, the lenders from time to time party thereto and Bank of America, N.A., as administrative agent. Under the Bridge Credit Agreement, the lenders party thereto have committed to provide Medtronic with unsecured bridge financing in an aggregate principal amount of up to $11.3 billion. The commitments are intended to be available to finance, in part, the cash component of the scheme consideration and certain transaction expenses to the extent Medtronic does not arrange for alternative financing prior to the consummation of the transaction. New Medtronic and Medtronic Luxco have guaranteed the obligations of Medtronic under the Bridge Credit Agreement. If Medtronic draws loans under the Bridge Credit Agreement, it intends to refinance any such loans with the proceeds of other external indebtedness.

Term Loan Credit Agreement

On November 7, 2014, Medtronic also entered into a three-year senior unsecured term loan credit agreement (the Term Loan Credit Agreement and, together with the Bridge Credit Agreement, the Credit Agreements), among Medtronic, New Medtronic, Medtronic Luxco, the lenders from time to time party thereto and Bank of America, N.A., as administrative agent. Under the Term Loan Credit Agreement, the lenders party thereto have committed to provide Medtronic with unsecured term loan financing in an aggregate principal amount of up to $5.0 billion. Medtronic intends to draw upon such commitments upon the consummation of the transaction to finance, in part, the cash component of the scheme consideration and certain transaction expenses. New Medtronic and Medtronic Luxco have guaranteed the obligations of Medtronic under the Term Loan Credit Agreement.

Termination of Existing Bridge Credit Agreements

In connection with entering into the Bridge Credit Agreement and the Term Loan Credit Agreement, on November 7, 2014, Medtronic terminated the unsecured bridge commitments previously provided to it in an aggregate principal amount of $2.8 billion under the 364-day senior unsecured bridge credit agreement dated as of June 15, 2014. On the same date, IrSub terminated the unsecured bridge commitments previously provided to it in an aggregate principal amount of $13.5 billion under the 60-day senior unsecured cash bridge credit agreement dated as of June 15, 2014.

Amended and Restated Revolving Credit Agreement

On November 7, 2014, Medtronic also entered into an amendment and restatement agreement (the Revolver Amendment Agreement), among Medtronic, New Medtronic, Medtronic Luxco, the lenders from time to time party thereto and Bank of America, N.A., as administrative agent and issuing bank. Under the Revolver Amendment Agreement, the parties thereto have agreed to enter into an amendment and restatement (the Amended and Restated Revolving Credit Agreement) of Medtronic s existing $2.25 billion five-year senior unsecured revolving credit agreement dated as of December 17, 2012, among Medtronic, the lenders from time to time party thereto and Bank of America N.A., as administrative agent and issuing bank.

The effectiveness of the Amended and Restated Revolving Credit Agreement is conditioned on, among other things, the consummation of the acquisition. Under the Amended and Restated Revolving Credit Agreement, the lenders party thereto will provide Medtronic and Medtronic Luxco with unsecured revolving credit commitments in an aggregate principal amount of up to $3.5 billion. The commitments are intended to be used for general corporate purposes, including acquisitions and working capital of Medtronic and Medtronic Luxco, and to replace the revolving credit facility currently available to Covidien. Medtronic and Medtronic Luxco will be co-borrowers under the Amended and Restated Revolving Credit Agreement and each of

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Medtronic, Medtronic Luxco and New Medtronic will also guarantee the obligations of the co-borrowers under the Amended and Restated Revolving Credit Agreement.

A copy of the Bridge Credit Agreement is included as Exhibit 10.60 to the registration statement of which this joint proxy statement/prospectus forms a part. A copy of the Term Loan Credit Agreement is included as Exhibit 10.61 to the registration statement of which this joint proxy statement/prospectus forms a part. A copy of the Amended and Restated Revolving Credit Agreement is included as Exhibit 10.62 to the registration statement of which this joint proxy statement/prospectus forms a part. For further information regarding the Bridge Credit Agreement, the Term Loan Credit Agreement and the Amended and Restated Revolving Credit Agreement, please see the full text of the Bridge Credit Agreement, a copy of which is filed as Exhibit 10.1 to Medtronic s Current Report on Form 8-K filed with the SEC on November 10, 2014, the full text of the Term Loan Credit Agreement, a copy of which is filed as Exhibit 10.2 to Medtronic s Current Report on Form 8-K filed with the SEC on November 10, 2014 and the full text of the Amended and Restated Revolving Credit Agreement, a copy of which is filed as Exhibit 10.3 to Medtronic s Current Report on Form 8-K filed with the SEC on November 10, 2014.

Perella Weinberg, financial advisor to Medtronic, is satisfied that sufficient resources are available to satisfy in full the cash consideration payable to Covidien shareholders under the terms of the acquisition.

For a full description of the financing relating to the business, see *Financing Relating to the Transaction* beginning on page 315 of this joint proxy statement/prospectus.

Transaction-Related Costs (Page 125)

Medtronic currently estimates that, upon the consummation of the transaction, transaction-related costs incurred by the combined company, excluding fees and expenses relating to financing and integration, will be approximately $270 million.

Accounting Treatment of the Transaction (Page 139)

Medtronic will account for the acquisition pursuant to the Transaction Agreement using the acquisition method of accounting in accordance with U.S. generally accepted accounting principles (U.S. GAAP). Medtronic will measure the assets acquired and liabilities assumed at their fair values including net tangible and identifiable intangible assets acquired and liabilities assumed as of the closing of the transaction. Any excess of the purchase price over those fair values will be recorded as goodwill.

Definite lived intangible assets will be amortized over their estimated useful lives. Intangible assets with indefinite useful lives and goodwill will not be amortized but will be tested for impairment at least annually. All intangible assets and goodwill are also tested for impairment when certain indicators are present.

The purchase price reflected in the unaudited pro forma condensed combined financial statements is based on preliminary estimates using assumptions Medtronic management believes are reasonable based on currently available information. The final purchase price and fair value assessment of assets and liabilities will be based in part on a detailed valuation which has not yet been completed.

Comparison of the Rights of Holders of Medtronic Common Shares and New Medtronic Ordinary Shares (Page 338)

As a result of the transaction, the holders of Medtronic common shares will become holders of New Medtronic ordinary shares and their rights will be governed by Irish law (instead of the MBCA) and by the

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memorandum and articles of association of New Medtronic (instead of Medtronic s articles of incorporation and bylaws). The current memorandum and articles of association of New Medtronic will be amended and restated as of the completion of the transaction in substantially the form as set forth in Annex D to this joint proxy statement/prospectus. Following the transaction, former Medtronic shareholders may have different rights as New Medtronic shareholders than they had as Medtronic shareholders. Material differences between the rights of shareholders of Medtronic and the rights of shareholders of New Medtronic include differences with respect to, among other things, distributions, dividends, repurchases and redemptions, dividends in shares / bonus issues, the election of directors, the removal of directors, the fiduciary and statutory duties of directors, conflicts of interests of directors, the indemnification of directors and officers, limitations on director liability, the convening of annual meetings of shareholders and special shareholder meetings, notice provisions for meetings, the adjournment of shareholder meetings, the exercise of voting rights, shareholder action by written consent, shareholder suits, shareholder approval of certain transactions, rights of dissenting shareholders, anti-takeover measures and provisions relating to the ability to amend the articles of association. For a summary of the material differences between the rights of Medtronic shareholders and New Medtronic shareholders, see *Description of New Medtronic Ordinary Shares* beginning on page 323 of this joint proxy statement/prospectus and *Comparison of the Rights of Holders of Medtronic Common Shares and New Medtronic Ordinary Shares* beginning on page 338 of this joint proxy statement/prospectus.

Comparison of the Rights of Holders of Covidien Ordinary Shares and New Medtronic Ordinary Shares (Page 370)

As a result of the transaction, the holders of Covidien ordinary shares will become holders of New Medtronic ordinary shares and their rights will be governed by the memorandum and articles of association of New Medtronic instead of Covidien s memorandum and articles of association. The current memorandum and articles of association of New Medtronic will be amended and restated as of the completion of the transaction in substantially the form as set forth in Annex D to this joint proxy statement/prospectus. Following the transaction, former Covidien shareholders may have different rights as New Medtronic shareholders than they had as Covidien shareholders. Differences between the rights of New Medtronic shareholders following the transaction and the rights of Covidien shareholders before the transaction include, among other things, differences with respect to repurchases and redemptions, calls on shares and forfeiture of shares, determinations of the size of the New Medtronic board of directors, the convening of extraordinary shareholder meetings, notices required to make nominations of directors or bring other business in front of shareholder meetings, record dates of shareholder meetings, quorums at shareholder meetings, adjournments of shareholder meetings, the shareholder vote required to approve variations of class rights, the shareholder vote required to approve certain transactions and certain amendments to the articles of association and the inclusion of certain provisions regarding business combinations, control share acquisitions and fair price requirements in tender offers. See *Description of New Medtronic Ordinary Shares* beginning on page 323 of this joint proxy statement/prospectus and *Comparison of the Rights of Holders of Covidien Ordinary Shares and New Medtronic Ordinary Shares* beginning on page 370 of this joint proxy statement/prospectus.

Recent Developments

Medtronic Second Quarter Results

On November 18, 2014, Medtronic announced its earnings for the three and six month periods ended October 24, 2014. For the second quarter, Medtronic reported revenue of $4.366 billion, GAAP net earnings of $828 million and earnings per diluted share of $0.83. The decline in GAAP net earnings and earnings per share was a result of a $100 million pre-tax charitable cash donation the company made to the Medtronic Foundation. Medtronic reported U.S. revenue in the quarter of $2.456 billion, international revenue of $1.910 billion and emerging market revenue of $554 million. International sales accounted for 44 percent of Medtronic s worldwide revenue in the quarter.

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The Cardiac and Vascular Group had worldwide sales of $2.286 billion in the second quarter. The Restorative Therapy Group had worldwide sales of $1.650 billion in the second quarter. The Diabetes Group had revenue of $430 million in the second quarter.

Medtronic s earnings release for the second quarter, dated November 18, 2014, was furnished to the SEC on a Form 8-K on November 18, 2014. Medtronic intends to file its Form 10-Q for the quarter ended October 24, 2014 on or prior to November 26, 2014. You are encouraged to read Medtronic s Form 10-Q for the quarter ended October 24, 2014 when it becomes available for additional information regarding Medtronic and its business.

The following tables set forth financial data for Medtronic as of and for each of the three and six month periods ended October 24, 2014 and October 25, 2013. The information set forth below is only a summary that you should read together with the historical audited consolidated financial statements of Medtronic and the related notes and the historical unaudited consolidated financial statements of Medtronic and the related notes, as well as the section titled *Medtronic Management s Discussion and Analysis of Financial Condition and Results of Operations* included in this joint proxy statement/prospectus. Information for the three and six month periods ended October 24, 2014 and October 25, 2013 is derived from unaudited interim financial statements, which include, in the opinion of Medtronic s management, all normal and recurring adjustments that are considered necessary for the fair presentation of the results for such interim periods and dates. Historical results are not necessarily indicative of any results to be expected in the future.

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Medtronic Condensed Consolidated Statements of Earnings (Unaudited)

	Three months ended		Six months ended	
	October 24, 2014	October 25, 2013	October 24, 2014	October 25, 2013
	(in millions, except per share data)			
Net sales	$ 4,366	$ 4,194	$ 8,639	$ 8,277
Costs and expenses:				
Cost of products sold	1,142	1,090	2,247	2,112
Research and development expense	374	372	739	732
Selling, general, and administrative expense	1,507	1,438	3,013	2,854
Special charges	100		100	40
Restructuring charges, net			30	18
Certain litigation charges, net		24		24
Acquisition-related items	61		102	(96)
Amortization of intangible assets	89	88	176	174
Other expense, net	63	33	114	77
Interest expense, net	8	33	13	73
Total costs and expenses	3,344	3,078	6,534	6,008
Earnings before income taxes	1,022	1,116	2,105	2,269
Provision for income taxes	194	214	406	414
Net earnings	$ 828	$ 902	$ 1,699	$ 1,855
Basic earnings per share	$ 0.84	$ 0.90	$ 1.72	$ 1.85
Diluted earnings per share	$ 0.83	$ 0.89	$ 1.70	$ 1.83
Basic weighted average shares outstanding	981.9	998.9	987.5	1,004.5
Diluted weighted average shares outstanding	993.0	1,009.4	999.4	1,015.5
Cash dividends declared per common share	$ 0.305	$ 0.280	$ 0.610	$ 0.560

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Medtronic Condensed Consolidated Balance Sheets (Unaudited)

	October 24, 2014	April 25, 2014
	(in millions, except per share data)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 1,287	$ 1,403
Investments	13,177	12,838
Accounts receivable, less allowances of $109 and $115, respectively	3,750	3,811
Inventories	1,873	1,725
Tax assets	696	736
Prepaid expenses and other current assets	814	697
Total current assets	21,597	21,210
Property, plant, and equipment	6,320	6,439
Accumulated depreciation	(3,959)	(4,047)
Property, plant, and equipment, net	2,361	2,392
Goodwill	11,024	10,593
Other intangible assets, net	2,437	2,286
Long-term tax assets	183	300
Other assets	1,178	1,162
Total assets	$ 38,780	$ 37,943
LIABILITIES AND SHAREHOLDERS EQUITY		
Current liabilities:		
Short-term borrowings	$ 3,970	$ 1,613
Accounts payable	723	742
Accrued compensation	806	1,015
Accrued income taxes	168	164
Deferred tax liabilities	18	19
Other accrued expenses	1,267	2,006
Total current liabilities	6,952	5,559
Long-term debt	9,708	10,315
Long-term accrued compensation and retirement benefits	681	662
Long-term accrued income taxes	1,322	1,343
Long-term deferred tax liabilities	420	386
Other long-term liabilities	259	235
Total liabilities	19,342	18,500
Commitments and contingencies		
Shareholders equity:		

Preferred stock par value $1.00		
Common stock par value $0.10	98	100
Retained earnings	19,846	19,940
Accumulated other comprehensive loss	(506)	(597)
Total shareholders equity	19,438	19,443
Total liabilities and shareholders equity	$ 38,780	$ 37,943

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Medtronic Condensed Consolidated Statements of Cash Flows (Unaudited)

(in millions)	Six months ended October 24, 2014	October 25, 2013
Operating Activities:		
Net earnings	$ 1,699	$ 1,855
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	423	421
Amortization of debt discount and issuance costs	32	4
Acquisition-related items	6	(96)
Provision for doubtful accounts	17	24
Deferred income taxes	(61)	(19)
Stock-based compensation	82	75
Other, net	(40)	(12)
Change in operating assets and liabilities, net of acquisitions:		
Accounts receivable, net	(64)	(16)
Inventories	(170)	(111)
Accounts payable and accrued liabilities	26	(540)
Other operating assets and liabilities	73	413
Certain litigation charges, net		24
Certain litigation payments	(800)	(3)
Net cash provided by operating activities	1,223	2,019
Investing Activities:		
Acquisitions, net of cash acquired	(578)	(210)
Additions to property, plant, and equipment	(210)	(196)
Purchases of investments	(3,024)	(5,719)
Sales and maturities of investments	2,665	4,291
Other investing activities, net	(6)	(18)
Net cash used in investing activities	(1,153)	(1,852)
Financing Activities:		
Acquisition-related contingent consideration	(5)	(1)
Change in short-term borrowings, net	1,611	1,546
Repayment of short-term borrowings (maturities greater than 90 days)		(125)
Proceeds from short-term borrowings (maturities greater than 90 days)	150	310
Payments on long-term debt	(7)	(6)
Dividends to shareholders	(602)	(560)
Issuance of common stock	312	817
Repurchase of common stock	(1,620)	(2,053)
Other financing activities	34	13
Net cash used in financing activities	(127)	(59)
Effect of exchange rate changes on cash and cash equivalents	(59)	39

Net change in cash and cash equivalents	(116)	147
Cash and cash equivalents at beginning of period	1,403	919
Cash and cash equivalents at end of period	$ 1,287	$ 1,066
Supplemental Cash Flow Information		
Cash paid for:		
Income taxes	$ 357	$ 225
Interest	250	197

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RISK FACTORS

In addition to the other information contained in or incorporated by reference into this joint proxy statement/prospectus, you should consider carefully the following risk factors, including the matters addressed under the caption Cautionary Statement Regarding Forward-Looking Statements. You should also read and consider the risks associated with the business of Medtronic and the risks associated with the business of Covidien because these risks will also affect New Medtronic. The risks associated with the business of Medtronic can be found below in the section entitled Risk Factors Risks Relating to Medtronic s Business. The risks associated with the business of Covidien can be found in the Covidien Annual Report on Form 10-K for the fiscal year ended September 27, 2013, which is incorporated by reference into this joint proxy statement/prospectus. See Where You Can Find More Information.

Risks Relating to the Transaction

The number of New Medtronic ordinary shares that New Medtronic will issue to Covidien shareholders as a result of the acquisition will be based on a fixed exchange ratio. The value of each New Medtronic ordinary share that New Medtronic will issue to Covidien shareholders as a result of the acquisition could be different than at the time Covidien shareholders vote to approve the scheme and Medtronic shareholders vote to adopt the plan of merger contained in the Transaction Agreement.

Upon completion of the transaction, Covidien ordinary shareholders (other than shareholders with respect to certain Covidien ordinary shares to be held by nominees on behalf of New Medtronic and/or IrSub in connection with the transaction) will receive (i) $35.19 in cash and (ii) 0.956 of a New Medtronic ordinary share for each Covidien ordinary share they hold. The number of New Medtronic ordinary shares that New Medtronic will issue to Covidien shareholders as a result of the acquisition will not be adjusted in the event of any increase or decrease in the share price of either Medtronic common shares or Covidien ordinary shares between the time the Covidien shareholders vote to approve the scheme and the completion time of the transaction or between the time Medtronic shareholders vote to adopt the plan of merger contained in the Transaction Agreement and the completion time of the transaction.

The market value of each New Medtronic ordinary share that New Medtronic will issue to Covidien shareholders as a result of the acquisition could vary significantly from the market value of Medtronic common shares on the date of this joint proxy statement/prospectus or the date of the Covidien special meetings. Because the exchange ratio will not be adjusted to reflect any changes in the market value of Medtronic common shares or Covidien ordinary shares, such market price fluctuations may affect the value that Covidien shareholders will receive upon completion of the transaction. Share price changes may result from a variety of factors, including changes in the business, operations or prospects of Medtronic or Covidien, market assessments of the likelihood that the transaction will be completed, the timing of the transaction, regulatory considerations, general market and economic conditions and other factors. Shareholders are urged to obtain current market quotations for Medtronic common shares and Covidien ordinary shares. See the section entitled *Comparative Per Share Market Price Data and Dividend Information* beginning on page 322 for additional information on the market value of Medtronic common shares and Covidien ordinary shares.

Medtronic and Covidien must obtain certain approvals and governmental and regulatory consents to consummate the transaction, which, if delayed, not granted or granted with unacceptable conditions, may jeopardize or delay the consummation of the acquisition or the merger, result in additional expenditures of money and resources and/or reduce the anticipated benefits of the transaction.

The merger and the acquisition are subject to customary closing conditions. These closing conditions include, among others, the receipt of required approvals of Medtronic and Covidien shareholders, the effectiveness of the registration

statement of which this joint proxy statement/prospectus forms a part, the approval of the scheme of arrangement by the Irish High Court and the expiration or termination of the waiting

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period under the HSR Act, and the relevant clearances under the antitrust, competition and foreign investment laws of the European Commission, Canada, China, Israel, Japan, Russia, South Korea and Turkey under which filings or clearances are or may be required.

The governmental agencies from which the parties will seek certain of these clearances have broad discretion in administering the governing regulations. As a condition to their clearance of the merger and the acquisition, agencies may impose requirements, limitations or costs or require divestitures or place restrictions on the conduct of New Medtronic s business after the closing. The companies assessed these requirements and agreed to divest Covidien s DCB assets in the Divestiture Transaction in order to obtain clearance under the HSR Act. See *Regulatory Approvals Required United States Antitrust*. The Divestiture Transaction and any other such divestiture would take place after the closing. As a result of the Divestiture Transaction, Covidien has recorded a pre-tax impairment charge of $94 million in its fourth quarter results. These requirements, limitations, costs, divestitures or restrictions could jeopardize or delay the consummation of the transaction or may reduce the anticipated benefits of the transaction. Further, no assurance can be given that the required shareholder approvals will be obtained or that the required closing conditions will be satisfied, and, if all required consents and approvals are obtained and the closing conditions are satisfied, no assurance can be given as to the terms, conditions and timing of the approvals. If Medtronic and Covidien agree to any material requirements, limitations, costs, divestitures or restrictions in order to obtain any approvals required to consummate the merger or the acquisition, these requirements, limitations, costs, divestitures or restrictions could adversely affect New Medtronic s ability to integrate Medtronic s operations with Covidien s operations or reduce the anticipated benefits of the transaction. This could result in a failure to consummate the transaction or have a material adverse effect on New Medtronic s business and results of operations.

The Transaction Agreement and the expenses reimbursement agreement together contain provisions that limit Covidien s ability to pursue alternatives to the transaction and, in specified circumstances, could require Covidien to reimburse certain of Medtronic s expenses.

Under the Transaction Agreement, Covidien is restricted, subject to certain exceptions, from soliciting, knowingly encouraging or negotiating, or furnishing information with regard to, any inquiry, proposal or offer for a competing acquisition proposal with any person. Covidien may terminate the Transaction Agreement and enter into an agreement with respect to a superior proposal only if specified conditions have been satisfied, including a determination by the Covidien board of directors (after consultation with Covidien s financial advisor and legal counsel) that such proposal is more favorable to the Covidien shareholders than the transaction, and such a termination would result in Covidien being required to reimburse certain of Medtronic s expenses under the expenses reimbursement agreement. These provisions could discourage a third party that may have an interest in acquiring all or a significant part of Covidien from considering or proposing that acquisition, even if such third party were prepared to pay consideration with a higher value than the value of the scheme consideration.

Failure to consummate the transaction could negatively impact the share price and the future business and financial results of Medtronic and/or Covidien.

If the transaction is not consummated, the ongoing businesses of Medtronic and/or Covidien may be adversely affected and, without realizing any of the potential benefits of having consummated the transaction, Medtronic and/or Covidien will be subject to a number of risks, including the following:

Medtronic and/or Covidien will be required to pay certain costs and expenses relating to the proposed transaction;

if the Transaction Agreement is terminated under specified circumstances, Covidien may be obligated to reimburse certain expenses of Medtronic, in an amount up to approximately $429 million;

if the Transaction Agreement is terminated under specified circumstances, Medtronic may be required to pay to Covidien a termination fee equal to $850 million;

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matters relating to the transaction (including integration planning) may require substantial commitments of time and resources by Medtronic management and Covidien management, which could otherwise have been devoted to other opportunities that may have been beneficial to Medtronic or Covidien, as the case may be;

the Transaction Agreement restricts Medtronic and Covidien, without the other party s consent and subject to certain exceptions, from making certain acquisitions and taking other specified actions until the merger and the acquisition occur or the Transaction Agreement terminates. These restrictions may prevent Medtronic and Covidien from pursuing otherwise attractive business opportunities and making other changes to their businesses that may arise prior to completion of the merger and the acquisition or termination of the Transaction Agreement; and

Medtronic or Covidien also could be subject to litigation related to any failure to consummate the transaction or related to any enforcement proceeding commenced against Medtronic or Covidien to perform their respective obligations under the Transaction Agreement.

If the transaction is not consummated, these risks may materialize and may adversely affect Medtronic s or Covidien s business, financial results and share price.

Medtronic s and Covidien s directors and executive officers have interests in the transaction that are in addition to, or different from, any interests they might have as shareholders.

In considering the recommendations of the Medtronic and Covidien boards of directors, Medtronic and Covidien shareholders should be aware that directors and executive officers of Medtronic and Covidien, respectively, have interests in the proposed transaction that are in addition to, or different from, any interests they might have as shareholders, the aggregate values of which we estimate to be approximately $69 million for Medtronic s directors and executive officers (consisting of the expected gross-up payment in respect of the excise tax) and approximately $151 million for Covidien s directors and executive officers (exclusive of any applicable excise tax gross-up). The cost to Medtronic of providing a gross-up payment for Medtronic s and Covidien s directors and officers in respect of the excise tax is expected to be approximately $72 million (including the $69 million for Medtronic s directors and officers described above), see *The Transaction Interests of Certain Persons in the Transaction Medtronic Excise Tax Gross-Up.* For more information, including the assumptions used to estimate the value of such interests, please see *The Transaction Interests of Certain Persons in the Transaction* beginning on page 125. You should consider these interests in connection with your vote on the related proposals.

The Transaction Agreement contains provisions that limit Medtronic s ability to pursue alternatives to the transaction and, in specified circumstances, could require Medtronic to pay a termination fee to Covidien.

Under the Transaction Agreement, Medtronic is restricted, subject to certain exceptions, from soliciting, knowingly encouraging or negotiating, or furnishing information with regard to, any inquiry, proposal or offer for a competing acquisition proposal with any person. In addition, Medtronic may not terminate the Transaction Agreement to enter into any agreement with respect to a superior proposal. In the event that the Medtronic board of directors changes its recommendation that Medtronic s shareholders adopt the plan of merger contained in the Transaction Agreement and Medtronic s shareholders do not, at the Medtronic special meeting, vote to adopt the plan of merger contained in the Transaction Agreement, Medtronic could be required to pay Covidien a termination fee of $850 million if certain other conditions are satisfied. These provisions may have the effect of increasing the cost to Medtronic if the Medtronic board of directors changes its recommendation that Medtronic s shareholders adopt the plan of merger contained in the Transaction Agreement and these provisions could also discourage a third party that may have an

interest in acquiring all or a significant part of Medtronic from considering or proposing that acquisition, even if such third party were willing to pay consideration with a higher value than the merger consideration.

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While the transaction is pending, Medtronic and Covidien will be subject to business uncertainties that could adversely affect their businesses.

Uncertainty about the effect of the transaction on employees, customers and suppliers may have an adverse effect on Medtronic and Covidien and, consequently, on New Medtronic. These uncertainties may impair Medtronic s and Covidien s ability to attract, retain and motivate key personnel until the merger and the acquisition are consummated and for a period of time thereafter, and could cause customers, suppliers and others who deal with Medtronic and Covidien to seek to change or terminate existing business relationships with Medtronic and Covidien. Employee retention may be particularly challenging during the pendency of the transaction because employees may experience uncertainty about their future roles with New Medtronic. If, despite Medtronic s and Covidien s retention efforts, key employees depart because of issues relating to the uncertainty and difficulty of integration or a desire not to remain with New Medtronic, New Medtronic s business could be seriously harmed.

Risks Relating to the Businesses of the Combined Company

We may not realize all of the anticipated benefits of the transaction or those benefits may take longer to realize than expected. We may also encounter significant unexpected difficulties in integrating the two businesses.

Our ability to realize the anticipated benefits of the transaction will depend, to a large extent, on our ability to integrate the Medtronic and Covidien businesses. The combination of two independent businesses is a complex, costly and time-consuming process. As a result, we will be required to devote significant management attention and resources to integrating the business practices and operations of Medtronic and Covidien. The integration process may disrupt the businesses and, if implemented ineffectively or if impacted by unforeseen negative economic or market conditions or other factors, we may not realize the full anticipated benefits of the transaction. Our failure to meet the challenges involved in integrating the two businesses to realize the anticipated benefits of the transaction could cause an interruption of, or a loss of momentum in, the activities of New Medtronic and could adversely affect New Medtronic s results of operations.

In addition, the overall integration of the businesses may result in material unanticipated problems, expenses, liabilities, competitive responses, loss of customer relationships, and diversion of management s attention. The difficulties of combining the operations of the companies include, among others:

- the diversion of management s attention to integration matters;
- difficulties in achieving anticipated cost savings, synergies, business opportunities and growth prospects from combining the business of Covidien with that of Medtronic;
- difficulties in the integration of operations and systems;
- difficulties in the assimilation of employees;
- difficulties in managing the expanded operations of a significantly larger and more complex company;

challenges in keeping existing customers and obtaining new customers; and

challenges in attracting and retaining key personnel.

Many of these factors will be outside of our control and any one of them could result in increased costs, decreases in the amount of expected revenues and diversion of management s time and energy, which could materially impact the business, financial condition and results of operations of New Medtronic. In addition, even if the operations of the businesses of Medtronic and Covidien are integrated successfully, we may not realize the full benefits of the transaction, including the synergies, cost savings or sales or growth opportunities that we expect. These benefits may not be achieved within the anticipated time frame, or at all. Furthermore, additional unanticipated costs may be incurred in the integration of the businesses of Medtronic and Covidien. All of these

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factors could negatively impact the earnings per share of New Medtronic, decrease or delay the expected accretive effect of the transaction, and negatively impact the price of New Medtronic s ordinary shares. As a result, we cannot assure you that the combination of the Medtronic and Covidien businesses will result in the realization of the full benefits anticipated from the transaction.

As a result of the transaction, New Medtronic will incur direct and indirect costs.

New Medtronic will incur costs and expenses in connection with and as a result of the transaction. These costs and expenses include professional fees to comply with Irish corporate and tax laws and financial reporting requirements, costs and expenses incurred in connection with holding a majority of the meetings of the New Medtronic board of directors and certain executive management meetings in Ireland, as well as any additional costs New Medtronic may incur going forward as a result of its new corporate structure. These costs are likely to exceed the costs historically borne by Medtronic and Covidien and may be greater than expected.

Medtronic s and Covidien s actual financial positions and results of operations may differ materially from the unaudited pro forma financial data included in this joint proxy statement/prospectus.

The pro forma financial information contained in this joint proxy statement/prospectus are presented for illustrative purposes only and may not be an indication of what New Medtronic s financial position or results of operations would have been had the transaction been completed on the dates indicated. The pro forma financial information has been derived from the audited and unaudited historical financial statements of Medtronic and Covidien and certain adjustments and assumptions have been made regarding the combined company after giving effect to the transaction. The assets and liabilities of Covidien have been measured at fair value based on various preliminary estimates using assumptions that Medtronic management believes are reasonable utilizing information currently available. The process for estimating the fair value of acquired assets and assumed liabilities requires the use of judgment in determining the appropriate assumptions and estimates. These estimates may be revised as additional information becomes available and as additional analyses are performed. Differences between preliminary estimates in the pro forma financial information and the final acquisition accounting will occur and could have a material impact on the pro forma financial information and the combined company s financial position and future results of operations.

In addition, the assumptions used in preparing the pro forma financial information may not prove to be accurate, and other factors may affect New Medtronic s financial condition or results of operations following the closing. Any potential decline in New Medtronic s financial condition or results of operations may cause significant variations in the share price of New Medtronic. Please see *Unaudited Pro Forma Condensed Combined Financial Information* beginning on page 161.

Disruption in the financial markets could affect Medtronic s ability to refinance the bridge loan on favorable terms, or at all.

If and to the extent drawn, Medtronic is obligated to repay its $11.3 billion Bridge Credit Agreement within 364 days after the consummation of the transaction. Disruptions in the commercial credit markets or uncertainty in the United States, European Union or elsewhere could result in a tightening of financial markets. In the event of financial market turmoil, Medtronic might be unable to obtain alternate financing in order to repay the bridge loan facility, or refinance the bridge loan entered into in connection with this transaction on favorable terms (or at all).

If Medtronic was unable to successfully obtain alternate financing or refinance at all, New Medtronic would be required to repay all outstanding amounts under the bridge loan facility on its maturity date.

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New Medtronic s substantial leverage and debt service obligations could adversely affect New Medtronic s business.

In order to finance the cash component of the scheme consideration, Medtronic expects that it or its subsidiaries will receive proceeds from external financing sources (whether utilizing alternate financing arranged prior to the closing of the transaction, or, if such alternate financing is not arranged, the Bridge Credit Agreement). After giving effect to the merger and the acquisition and assuming incremental borrowing prior to the closing of the merger and acquisition in order to pre-fund repayment of upcoming maturities of Medtronic and Covidien debt, New Medtronic expects to have total consolidated external debt of approximately $36 to $38 billion. New Medtronic s net consolidated borrowing costs, which cannot be predicted at this time, will depend on rates in effect from time to time, the structure of the indebtedness, taxes and other factors.

The degree to which New Medtronic will be leveraged following the transaction could have important consequences to shareholders of New Medtronic, including, but not limited to, potentially:

- increasing New Medtronic s vulnerability to, and reducing its flexibility to respond to, general adverse economic and industry conditions;
- requiring the dedication of a substantial portion of New Medtronic s cash flow from operations to the payment of principal of, and interest on, indebtedness, including but not limited to payments under the terms of New Medtronic s expected debt issuance and repayment of a loan or loans to IrSub from New Medtronic subsidiaries, thereby reducing the availability of such cash flow to fund working capital, capital expenditures, acquisitions, joint ventures, product research, dividends, share repurchases and development or other general corporate purposes;
- limiting New Medtronic s flexibility in planning for, or reacting to, changes in New Medtronic s business and the competitive environment and the industry in which it operates;
- placing New Medtronic at a competitive disadvantage as compared to its competitors, to the extent that they are not as highly leveraged;
- causing the long-term and short-term debt ratings of New Medtronic and its subsidiaries to be lower than the long-term and short-term debt ratings currently applicable to Medtronic and Covidien; and
- limiting New Medtronic s ability to borrow additional funds and increasing the cost of any such borrowing.

Legislative or other governmental action relating to the denial of U.S. federal or state governmental contracts to U.S. companies that redomicile abroad could adversely affect New Medtronic s business.

Various U.S. federal and state legislative and other proposals that would deny governmental contracts to U.S. companies that move their corporate location abroad may affect New Medtronic if adopted. We are unable to predict the likelihood that any such proposals might be adopted, the nature of regulations that may be promulgated, or the effect such adoptions and increased regulatory scrutiny may have on New Medtronic s business.

Future potential changes to the tax laws could result in New Medtronic being treated as a U.S. corporation for U.S. federal tax purposes, and if adopted prior to closing, could jeopardize or delay the consummation of the transaction.

Under current law, New Medtronic is expected to be treated as a foreign corporation for U.S. federal tax purposes. Changes to Section 7874 of the Code, or the U.S. Treasury regulations promulgated thereunder, could affect New Medtronic s status as a foreign corporation for U.S. federal tax purposes. Any such changes could have prospective or retroactive application, and may apply even if enacted after the transaction is consummated. If New Medtronic were to be treated as a U.S. corporation for federal tax purposes, it could be subject to substantially greater U.S. tax liability than currently contemplated as a non-U.S. corporation.

Specifically, if New Medtronic were to be treated as a U.S. corporation for federal tax purposes, New Medtronic would be subject to U.S. corporate income tax on its worldwide income, and the income of its foreign

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subsidiaries would be subject to U.S. tax when repatriated or when deemed recognized under the U.S. tax rules for controlled foreign subsidiaries, including as a result of such subsidiaries having any investments in U.S. property (within the meaning of Section 956 of the Code) such as stock or debt obligations of U.S. affiliates. In such case, New Medtronic would be subject to substantially greater U.S. tax liability than currently contemplated. Additionally, any restructurings of Covidien and its subsidiaries after the transaction that might be undertaken to rationalize the overall structure of New Medtronic might give rise to U.S. taxable gain. Moreover, in such case, a non-U.S. shareholder of New Medtronic would be subject to U.S. withholding tax on the gross amount of any dividends paid by New Medtronic to such shareholder.

Each of Medtronic s and Covidien s respective obligations to consummate the transaction is subject to a condition that there having been no change in applicable law (whether or not such change in law is yet effective) with respect to Section 7874 of the Code (or any other U.S. tax law), or any official interpretations thereof as set forth in published guidance by the IRS (other than IRS News Releases) (whether or not such change in official interpretation is yet effective), and there having been no bill that would implement such a change which has been passed in identical form (or substantially identical form such that a conference committee is not required prior to submission of such legislation for the President s approval or veto) by both houses of Congress and for which the time period for the President of the United States to sign or veto such bill has not yet elapsed, in each case prior to closing, that, once effective, in the opinion of nationally recognized U.S. tax counsel, would cause New Medtronic to be treated as a U.S. domestic corporation for U.S. federal income tax purposes.

Since Section 7874 of the Code was enacted, there have been various legislative proposals to broaden the scope of Section 7874 of the Code, including, most recently, (i) a provision in the Obama Administration s 2015 budget proposals which, if enacted in its present form, would be effective for transactions completed after December 31, 2014, and (ii) proposals introduced by certain Democratic members of both houses of Congress which, if enacted in their present form, would be effective retroactively to any transactions completed after May 8, 2014. Each proposal would, among other things, treat a foreign acquiring corporation as a U.S. corporation under Section 7874 of the Code if the former shareholders of the U.S. corporation own more than 50% of the shares of the foreign acquiring corporation after the transaction, or if the foreign corporation s affiliated group has substantial business activities in the United States and the foreign corporation is primarily managed and controlled in the United States. These proposals, if enacted in their present form and if made retroactively effective to transactions completed during the period in which the effective time of the transaction occurs, would cause New Medtronic to be treated as a U.S. corporation for U.S. federal tax purposes.

In addition, as described below, the U.S. Treasury Department and the IRS issued new guidance on September 22, 2014, announcing their intention to issue regulations interpreting Section 7874 of the Code that would apply to transactions completed on or after September 22, 2014. The proposed regulations interpreting Section 7874 of the Code announced in that guidance are not expected to cause New Medtronic to be treated as a U.S. corporation for U.S. federal tax purposes.

The U.S. Treasury Department and the IRS may promulgate rules that would adversely affect New Medtronic s tax position.

The U.S. Treasury Department has announced that it is examining possible changes in the regulatory rules affecting companies that move their tax domicile outside the United States. Specifically, the U.S. Treasury Department has said that it is reviewing a broad range of authorities for possible administrative actions that could limit the ability of companies to engage in inversions and is also considering approaches that could meaningfully reduce the tax benefits after inversions take place, to at least provide a partial fix in the event that Congress does not take action in the near future to revise Section 7874 of the Code. In the event the U.S. Treasury Department and the IRS were to change the

applicable regulatory rules, New Medtronic could face potentially substantial tax costs as a result of the proposed transaction. We are unable to assess the potential impact of any such possible changes, if adopted, until they are announced. As described below, the U.S. Treasury Department and the IRS issued new guidance on September 22, 2014, announcing their intention to issue

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regulations interpreting Section 7874 of the Code that would apply to transactions completed on or after September 22, 2014.

The IRS may not agree with the conclusion that New Medtronic should be treated as a foreign corporation for U.S. federal income tax purposes following the transaction.

A corporation is generally considered a tax resident in the jurisdiction of its organization or incorporation for U.S. federal income tax purposes. Because New Medtronic is an Irish incorporated entity, it would generally be classified as a foreign corporation (and, therefore, a non-U.S. tax resident) under these rules. Even so, the IRS may assert that New Medtronic should be treated as a U.S. corporation (and, therefore, a U.S. tax resident) for U.S. federal income tax purposes pursuant to Section 7874 of the Code.

Under Section 7874 of the Code, if the former shareholders of Medtronic hold 80% or more of the vote or value of the shares of New Medtronic by reason of holding stock in Medtronic (the ownership test), and New Medtronic s expanded affiliated group after the transaction does not have substantial business activities in Ireland relative to its worldwide activities (the substantial business activities test), New Medtronic would be treated as a U.S. corporation. Based on the rules for determining share ownership under Section 7874 of the Code, Medtronic shareholders will receive approximately 70% of the ordinary shares of New Medtronic (by both vote and value) by reason of holding stock in Medtronic. Therefore, under current law, New Medtronic should not be treated as a U.S. corporation for U.S. federal income tax purposes. The proposed regulations described in the IRS Notice (as defined herein) issued on September 22, 2014 do not alter this conclusion.

There can be no assurance that the IRS will agree with the position that the ownership test is satisfied. There is limited guidance regarding the application of Section 7874 of the Code, including with respect to the provisions regarding the application of the ownership test.

As described in the risk factor below, the U.S. Treasury Department and the IRS issued new guidance on September 22, 2014 announcing their intention to issue regulations interpreting Section 7874 of the Code that would apply to transactions completed on or after September 22, 2014. The proposed regulations interpreting Section 7874 of the Code announced in that guidance are not expected to cause New Medtronic to be treated as a U.S. corporation for U.S. federal tax purposes.

In addition, as described in more detail in the risk factor above, new statutory or regulatory provisions under Section 7874 of the Code or otherwise could be enacted or promulgated that adversely affect New Medtronic s status as a non-U.S. corporation for U.S. federal tax purposes, and any such provisions could have retroactive application.

As described in the risk factor above, if New Medtronic were to be treated as a U.S. corporation for federal tax purposes, it could be subject to substantially greater U.S. tax liability than currently contemplated as a non-U.S. corporation.

See *Material Tax Consequences of the Proposed Transaction U.S. Federal Income Tax Considerations U.S. Anti-Inversion Rules* beginning on page 141 of this joint proxy statement/prospectus for a more detailed discussion of the application of Section 7874 of the Code to the transaction.

Recent guidance issued by the U.S. Treasury Department and the IRS could result in New Medtronic being subject to significant U.S. tax liabilities after the transaction.

On September 22, 2014, the U.S. Treasury Department and the IRS issued new guidance announcing their intention to issue regulations interpreting multiple sections of the Code, including Section 7874, to address inversion transactions and transactions that Treasury and the IRS characterize as post-inversion tax avoidance transactions. When issued, such regulations would apply to transactions completed on or after September 22, 2014. The regulations described in the IRS Notice would expand the set of circumstances under which Section

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7874 of the Code would cause the foreign acquirer of a U.S. corporation to be treated as a U.S. corporation for U.S. federal income tax purposes. Such regulations would also impose additional U.S. taxes on certain transactions involving the acquired U.S. corporation s controlled foreign subsidiaries. In particular, the regulations would:

- modify and clarify the rules for computing the ownership test (as defined in the risk factor above) that determines whether the new foreign parent of the acquired U.S. corporation will be treated as a U.S. corporation for U.S. tax purposes under Section 7874 of the Code;

- treat investments by controlled foreign subsidiaries of an acquired U.S. corporation in stock or debt obligations of the new foreign parent or certain other foreign affiliates (or pledges or guarantees of such debt obligations) as investments in U.S. property (within the meaning of Section 956 of the Code), with the result that such actions would give rise to a deemed income inclusion by the acquired U.S. corporation; and

- cause the acquired U.S. corporation to recognize taxable income in certain other transactions involving the corporation s controlled foreign subsidiaries.

The proposed regulations interpreting Section 7874 of the Code announced in that guidance are not expected to cause New Medtronic to be treated as a U.S. corporation for U.S. federal tax purposes. However, other regulations proposed in the IRS Notice would cause Medtronic to recognize additional taxable income if Medtronic s foreign subsidiaries were to make loans to New Medtronic or other foreign affiliates (or to provide pledges or guarantees of the debt obligations of those companies), or if New Medtronic were to engage in transactions addressed by such regulations. As a result, the regulations announced in the IRS Notice are expected to limit New Medtronic s ability to engage in such transactions.

In addition, in the IRS Notice, the U.S. Treasury Department and the IRS announced their intention to issue additional guidance in the future intended to restrict transactions they characterize as post-inversion tax avoidance transactions as described above. According to the IRS Notice, such guidance may include rules to address strategies that reduce U.S. taxes by shifting U.S. earnings to other jurisdictions, including through intercompany debt. We are unable to predict the likelihood that any such guidance will be issued, the nature of regulations that may be promulgated thereunder or the effect such guidance may have on New Medtronic s business.

New Medtronic s tax position may be adversely affected by changes in tax law relating to multinational corporations or increased scrutiny by tax authorities.

In addition to potential changes to Section 7874 of the Code, and changes announced in the IRS Notice, recent legislative proposals have aimed to expand the scope of U.S. corporate tax residence, limit the ability of foreign-owned corporations to deduct interest expense, and to make other changes in the taxation of multinational corporations.

Additionally, the U.S. Congress, government agencies in non-U.S. jurisdictions where New Medtronic and its affiliates do business, and the Organisation for Economic Co-operation and Development have recently focused on issues related to the taxation of multinational corporations. One example is in the area of base erosion and profit shifting, where profits are claimed to be earned for tax purposes in low-tax jurisdictions, or payments are made between affiliates from a jurisdiction with high tax rates to a jurisdiction with lower tax rates. On September 16, 2014, the Organisation for Economic Co-operation and Development released the first seven components of its

comprehensive plan to create an agreed set of international rules for fighting base erosion and profit shifting. As a result, the tax laws in the U.S., Ireland and other countries in which New Medtronic and its affiliates do business could change on a prospective or retroactive basis, and any such changes could materially adversely affect New Medtronic.

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Moreover, U.S. and foreign tax authorities may carefully scrutinize companies that result from a cross-border business combination, such as New Medtronic, which may lead such authorities to assert that New Medtronic owes additional taxes.

New Medtronic may face potential limitations on the utilization of Medtronic s (and its U.S. affiliates) tax attributes following the completion of the transaction.

Following the acquisition of a U.S. corporation by a foreign corporation, Section 7874 of the Code can limit the ability of the acquired U.S. corporation and its U.S. affiliates to utilize U.S. tax attributes (including net operating losses and certain tax credits) to offset U.S. taxable income resulting from certain transactions as more fully described in *Material Tax Consequences of the Proposed Transaction U.S. Federal Income Tax Considerations U.S. Anti-Inversion Rules Potential Limitation on the Utilization of Medtronic s (and its U.S. Affiliates) Tax Attributes* beginning on page 141 of this joint proxy statement/prospectus. Medtronic currently expects that, following the transaction, this limitation will apply and, as a result, Medtronic and its U.S. affiliates could be limited in their ability to utilize their U.S. tax attributes to offset their U.S. taxable income, if any, resulting from certain specified taxable transactions. Please see *Material Tax Consequences of the Proposed Transaction U.S. Federal Income Tax Considerations U.S. Anti-Inversion Rules Potential Limitation on the Utilization of Medtronic s (and its U.S. Affiliates) Tax Attributes* beginning on page 141 of this joint proxy statement/prospectus.

New Medtronic will seek Irish High Court approval of the creation of distributable reserves. New Medtronic expects this will be forthcoming, but cannot guarantee this.

Under Irish law, dividends may only be paid and share repurchases and redemptions must generally be funded only out of distributable reserves, which New Medtronic will not have immediately following the closing. The creation of distributable reserves of New Medtronic involves a reduction in New Medtronic s share premium account, which requires the approval of the Irish High Court and, in connection with seeking such court approval, the approval of Medtronic and Covidien shareholders is being sought. The approval of the Irish High Court is expected within 15 weeks following the closing. New Medtronic is not aware of any reason why the Irish High Court would not approve the creation of distributable reserves in this manner; however, the issuance of the required order is a matter for the discretion of the Irish High Court. There will also be no guarantee that the approvals by Medtronic and Covidien shareholders will be obtained. In the event that distributable reserves of New Medtronic are not created, no distributions by way of dividends, share repurchases or otherwise will be permitted under Irish law until such time as the group has created sufficient distributable reserves from its business activities.

The New Medtronic ordinary shares to be received by Medtronic and Covidien shareholders in connection with the transaction will have different rights from the Medtronic common shares and the Covidien ordinary shares.

Upon completion of the merger and the acquisition, Medtronic and Covidien shareholders will become New Medtronic shareholders and their rights as shareholders will be governed by New Medtronic s memorandum and articles of association and Irish law. The rights associated with each of the Medtronic common shares and Covidien ordinary shares are different from the rights associated with New Medtronic ordinary shares. Material differences between the rights of shareholders of Medtronic and the rights of shareholders of New Medtronic include differences with respect to, among other things, distributions, dividends, repurchases and redemptions, dividends in shares/bonus issues, the election of directors, the removal of directors, the fiduciary and statutory duties of directors, conflicts of interests of directors, the indemnification of directors and officers, limitations on director liability, the convening of annual meetings of shareholders and special shareholder meetings, notice provisions for meetings, the adjournment of shareholder meetings, the exercise of voting rights, shareholder action by written consent, shareholder suits, shareholder approval of certain transactions, rights of dissenting shareholders, anti-takeover measures and provisions

relating to the ability to amend the articles of association. Material differences between the rights of New Medtronic shareholders following the transaction and the rights of Covidien shareholders before the transaction include, among other things, differences with respect to repurchases and redemptions, calls on shares

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and forfeiture of shares, determinations of the size of the New Medtronic board of directors, the convening of extraordinary shareholder meetings, notices required to make nominations of directors or bring other business in front of shareholder meetings, record dates of shareholder meetings, quorums at shareholder meetings, adjournments of shareholder meetings, the shareholder vote required to approve variations of class rights, the shareholder vote required to approve certain transactions and certain amendments to the articles of association and the inclusion of certain provisions regarding business combinations, control share acquisitions and fair price requirements in tender offers. See *Comparison of the Rights of Holders of Medtronic Common Shares and New Medtronic Ordinary Shares* beginning on page 338 and *Comparison of the Rights of Holders of Covidien Ordinary Shares and New Medtronic Ordinary Shares* beginning on page 370.

As a result of different shareholder voting requirements in Ireland relative to Minnesota, New Medtronic will have less flexibility with respect to certain aspects of capital management than Medtronic currently has.

Under Minnesota law and Medtronic s articles, Medtronic s directors may issue, without shareholder approval or any preemptive rights, any shares authorized by its articles of incorporation that are not already issued.

Under Irish law, New Medtronic s directors may issue new ordinary or preferred shares up to a maximum amount equal to the authorized but unissued share capital, without shareholder approval, once authorized to do so by the memorandum and articles of association of New Medtronic or by an ordinary resolution of the New Medtronic shareholders. Additionally, subject to specified exceptions, Irish law grants statutory preemption rights to existing shareholders to subscribe for new issuances of shares for cash, but allows shareholders to waive their statutory preemption rights by way of special resolution with respect to any particular allotment of shares or generally, subject to a five year limit on such waiver. Accordingly, New Medtronic s articles of association contain, as permitted by Irish company law, a provision authorizing the board to issue new shares for cash without offering preemption rights. The authorization of the directors to issue shares without further shareholder approval and the authorization of the waiver of the statutory preemption rights must both be renewed by the shareholders at least every five years, and Medtronic cannot provide any assurance that these authorizations will always be approved, which could limit New Medtronic s ability to issue equity and thereby adversely affect the holders of New Medtronic securities. While Medtronic does not believe that the differences between Minnesota law and Irish law relating to New Medtronic s capital management will have an adverse effect on New Medtronic, situations may arise where the flexibility Medtronic now has under Minnesota law would have provided benefits to New Medtronic shareholders that will not be available under Irish law. Please see *Comparison of the Rights of Holders of Medtronic Common Shares and New Medtronic Ordinary Shares* beginning on page 338.

The transaction may not allow us to maintain competitive global cash management and a low effective corporate tax rate.

We believe that the transaction should give New Medtronic the ability to maintain competitive global cash management and a competitive worldwide effective corporate tax rate. We cannot give any assurance as to what New Medtronic s effective tax rate will be after the transaction, however, because of, among other things, uncertainty regarding the tax policies of the jurisdictions where New Medtronic will operate. New Medtronic s actual effective tax rate may vary from this expectation and that variance may be material. Additionally, the tax laws of Ireland and other jurisdictions could change in the future, and such changes could cause a material change in New Medtronic s effective tax rate.

Following the completion of the transaction, a transfer of your New Medtronic shares, other than one effected by means of the transfer of book-entry interests in the Depository Trust Company, may be subject to Irish stamp duty.

Transfers of New Medtronic shares effected by means of the transfer of book entry interests in the Depository Trust Company (DTC) will not be subject to Irish stamp duty. It is anticipated that the majority of New Medtronic shares will be traded through DTC by brokers who hold such shares on behalf of customers.

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However, if you hold your New Medtronic shares directly rather than beneficially through DTC, any transfer of your New Medtronic shares could be subject to Irish stamp duty (currently at the rate of 1% of the higher of the price paid or the market value of the shares acquired). Payment of Irish stamp duty is generally a legal obligation of the transferee. The potential for stamp duty could adversely affect the price of your shares. Note, however, that transfers of Covidien shares are currently subject to the same potential liability to Irish stamp duty in circumstances similar to those in which Irish stamp duty may be payable in respect of New Medtronic shares. Please see *Material Tax Consequences of the Proposed Transaction Irish Tax Considerations Stamp Duty* beginning on page 152.

In certain limited circumstances, dividends paid by New Medtronic may be subject to Irish dividend withholding tax.

In certain limited circumstances, dividend withholding tax (currently at a rate of 20%) may arise in respect of dividends paid on New Medtronic shares. A number of exemptions from dividend withholding tax exist such that shareholders resident in the U.S. and shareholders resident in the countries listed in Annex H attached to this joint proxy statement/prospectus may be entitled to exemptions from dividend withholding tax.

Please see *Material Tax Consequences of the Proposed Transaction Irish Tax Considerations Withholding Tax on Dividends* beginning on page 153, and, in particular, please note the requirement to complete certain dividend withholding tax forms in order to qualify for many of the exemptions.

Shareholders resident in the U.S. that hold their shares through DTC will not be subject to dividend withholding tax, provided the addresses of the beneficial owners of such shares in the records of the brokers holding such shares are recorded as being in the U.S. (and such brokers have further transmitted the relevant information to a qualifying intermediary appointed by New Medtronic). However, other shareholders may be subject to dividend withholding tax, which could adversely affect the price of their shares. Note, however, that dividends currently paid on the Covidien shares are subject to similar Irish dividend withholding tax implications and procedures as dividends which will be paid on New Medtronic shares and former Covidien shareholders who hold New Medtronic shares will be able to rely on forms previously filed (until their expiration) with Covidien to receive dividends without Irish withholding tax. Please see *Material Tax Consequences of the Proposed Transaction Irish Tax Considerations Withholding Tax on Dividends* beginning on page 153.

After the transaction, dividends received by Irish residents and certain other shareholders may be subject to Irish income tax.

Shareholders entitled to an exemption from Irish dividend withholding tax on dividends received from New Medtronic will not be subject to Irish income tax in respect of those dividends unless they have some connection with Ireland other than their shareholding in New Medtronic (for example, they are resident in Ireland). Shareholders who receive dividends subject to Irish dividend withholding tax will generally have no further liability to Irish income tax on those dividends. Note that similar Irish income tax considerations currently apply to the holders of Covidien shares. Please see *Material Tax Consequences of the Proposed Transaction Irish Tax Considerations Income Tax on Dividends Paid on New Medtronic Shares* beginning on page 155.

New Medtronic shares received by means of a gift or inheritance could be subject to Irish capital acquisitions tax.

Irish capital acquisitions tax (CAT) could apply to a gift or inheritance of New Medtronic shares irrespective of the place of residence, ordinary residence or domicile of the parties. This is because New Medtronic shares will be regarded as property situated in Ireland. The person who receives the gift or inheritance has primary liability for CAT. Gifts and inheritances passing between spouses are exempt from CAT. Children have a tax-free threshold of 225,000

in respect of taxable gifts or inheritances received from their parents. Note that Covidien ordinary shares are also regarded as property situated in Ireland for CAT purposes and the same CAT considerations also currently

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apply to holders of Covidien ordinary shares. Please see *Material Tax Consequences of the Proposed Transaction Irish Tax Considerations Capital Acquisitions Tax* beginning on page 156.

It is recommended that each shareholder consult his or her own tax advisor as to the tax consequences of holding shares in and receiving dividends from New Medtronic.

Risks Relating to Medtronic s Business

As used in this Risks Relating to Medtronic s Business section, references to the company refer to Medtronic (and not, for the avoidance of doubt, to Covidien or New Medtronic).

The medical device industry is highly competitive and Medtronic may be unable to compete effectively.

Medtronic competes in both the therapeutic and diagnostic medical markets in more than 140 countries throughout the world. These markets are characterized by rapid change resulting from technological advances and scientific discoveries. In the product lines in which Medtronic competes, Medtronic faces a mixture of competitors ranging from large manufacturers with multiple business lines to small manufacturers that offer a limited selection of niche products. Development by other companies of new or improved products, processes, or technologies may make Medtronic s products or proposed products less competitive. In addition, Medtronic faces competition from providers of alternative medical therapies such as pharmaceutical companies. Competitive factors include:

product reliability;

product performance;

product technology;

product quality;

breadth of product lines;

product services;

customer support;

price; and

reimbursement approval from health care insurance providers.

Major shifts in industry market share have occurred in connection with product problems, physician advisories, safety alerts, and publications about Medtronic s products, reflecting the importance of product quality, product efficacy, and quality systems in the medical device industry. In the current environment of managed care, consolidation among health care providers, increased competition, and declining reimbursement rates, Medtronic has been increasingly required to compete on the basis of price. In order to continue to compete effectively, Medtronic must continue to create, invest in, or acquire advanced technology, incorporate this technology into Medtronic s proprietary products, obtain regulatory approvals in a timely manner, and manufacture and successfully market Medtronic s products. Given these factors, Medtronic cannot guarantee that the company will be able to continue its level of success in the industry.

Reduction or interruption in supply and an inability to develop alternative sources for supply may adversely affect Medtronic s manufacturing operations and related product sales.

Medtronic manufactures most of its products at 41 manufacturing facilities located throughout the world. Medtronic purchases many of the components and raw materials used in manufacturing these products from numerous suppliers in various countries. Generally, Medtronic has been able to obtain adequate supplies of such raw materials and components. However, for reasons of quality assurance, cost effectiveness, or availability, Medtronic procures certain components and raw materials from a sole supplier. Medtronic works closely with the company s suppliers to

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try to ensure continuity of supply while maintaining high quality and reliability. However, Medtronic cannot guarantee that these efforts will be successful. In addition, due to the stringent regulations and requirements of the U.S. Food and Drug Administration (the U.S. FDA) regarding the manufacture of Medtronic s products, Medtronic may not be able to quickly establish additional or replacement sources for certain components or materials. A reduction or interruption in supply, and an inability to develop alternative sources for such supply, could adversely affect Medtronic s ability to manufacture the company s products in a timely or cost-effective manner and to make the company s related product sales. Moreover, pursuant to the conflict minerals requirements promulgated by the SEC as a part of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank), Medtronic is required to report on the source of any conflict minerals used in the company s products, as well as the process Medtronic uses to determine the source of such materials. Medtronic will incur expenses as the company works with its suppliers to evaluate the source of any conflict minerals in the company s products, and compliance with these requirements could adversely affect the sourcing, supply, and pricing of the company s raw materials.

Medtronic s industry is experiencing greater scrutiny and regulation by governmental authorities, which may lead to greater regulation in the future.

Medtronic s medical devices and Medtronic s business activities are subject to rigorous regulation, including by the U.S. FDA, the U.S. Department of Justice (DOJ), and numerous other federal, state, and foreign governmental authorities. These authorities and members of Congress have been increasing their scrutiny of Medtronic s industry. For example, Medtronic has received inquiries from members of Congress and other government agencies regarding a variety of matters. In addition, certain state governments and the federal government have enacted legislation aimed at increasing transparency of Medtronic s interactions with health care providers. As a result, Medtronic is required by law to disclose payments and other transfers of value to health care providers licensed by certain states and, starting with payments or other transfers of value made on or after August 1, 2013, to all U.S. physicians and U.S. teaching hospitals at the federal level. Any failure to comply with these legal and regulatory requirements could impact Medtronic s business. In addition, Medtronic may continue to devote substantial additional time and financial resources to further develop and implement policies, systems, and processes to comply with enhanced legal and regulatory requirements, which may also impact Medtronic s business. Medtronic anticipates that governmental authorities will continue to scrutinize Medtronic s industry closely, and that additional regulation may increase compliance and legal costs, exposure to litigation, and other adverse effects to Medtronic s operations.

Medtronic is subject to many laws and governmental regulations and any adverse regulatory action may materially adversely affect its financial condition and business operations.

Medtronic s medical devices are subject to regulation by numerous government agencies, including the U.S. FDA and comparable agencies outside the U.S. To varying degrees, each of these agencies requires Medtronic to comply with laws and regulations governing the development, testing, manufacturing, labeling, marketing, and distribution of Medtronic s medical devices. Medtronic cannot guarantee that the company will be able to obtain marketing clearance for its new products or enhancements or modifications to existing products. If such approval is obtained, it may:

- take a significant amount of time;
- require the expenditure of substantial resources;

involve stringent clinical and pre-clinical testing, as well as increased post-market surveillance;

involve modifications, repairs, or replacements of Medtronic s products; and

result in limitations on the proposed uses of Medtronic s products.

Both before and after a product is commercially released, Medtronic has ongoing responsibilities under U.S. FDA regulations. Medtronic is also subject to periodic inspections by the U.S. FDA to determine compliance with the U.S. FDA s requirements, including primarily the quality system regulations and medical device reporting regulations. The results of these inspections can include inspectional observations on U.S. FDA s

Form-483, warning letters, or other forms of enforcement. Since 2009, the U.S. FDA has significantly increased its oversight of companies subject to its regulations, including medical device companies, by hiring new investigators and stepping up inspections of manufacturing facilities. The U.S. FDA has recently also significantly increased the number of warning letters issued to companies. If the U.S. FDA were to conclude that Medtronic is not in compliance with applicable laws or regulations, or that any of Medtronic s medical devices are ineffective or pose an unreasonable health risk, the U.S. FDA could ban such medical devices, detain or seize adulterated or misbranded medical devices, order a recall, repair, replacement, or refund of such devices, refuse to grant pending pre-market approval applications or require certificates of foreign governments for exports, and/or require Medtronic to notify health professionals and others that the devices present unreasonable risks of substantial harm to the public health. The U.S. FDA may also impose operating restrictions on a company-wide basis, enjoin and/or restrain certain conduct resulting in violations of applicable law pertaining to medical devices, and assess civil or criminal penalties against Medtronic s officers, employees, or the company itself. The U.S. FDA may also recommend prosecution to the DOJ. Any adverse regulatory action, depending on its magnitude, may restrict Medtronic from effectively marketing and selling its products.

In addition, device manufacturers are permitted to promote products solely for the uses and indications set forth in the approved product labeling. A number of enforcement actions have been taken against manufacturers that promote products for off-label uses, including actions alleging that federal health care program reimbursement of products promoted for off-label uses are false and fraudulent claims to the government. The failure to comply with off-label promotion restrictions can result in significant administrative obligations and costs, and potential penalties from, and/or agreements with, the federal government.

Pursuant to Dodd-Frank, the SEC promulgated final rules regarding disclosure of the use of certain minerals, known as conflict minerals : tantalum, tin, tungsten (or their ores), and gold, which are mined from the Democratic Republic of the Congo and adjoining countries. Under the rules, Medtronic is now required to disclose the procedures the company employs to determine the sourcing of such minerals and metals produced from those minerals. There are costs associated with complying with these disclosure requirements, including for diligence in regards to the sources of any conflict minerals used in Medtronic s products, in addition to the cost of remediation and other changes to products, processes, or sources of supply as a consequence of such verification activities. In addition, the implementation of these rules could adversely affect the sourcing, supply, and pricing of materials used in Medtronic s products. As of the date of Medtronic s conflict minerals report for the 2013 calendar year, Medtronic was unable to obtain the necessary information on conflict minerals from all of Medtronic s suppliers and were unable to determine that all of Medtronic s products are conflict free. Medtronic may continue to face difficulties in gathering this information in the future. Medtronic may face reputational challenges if the company determines that certain of its products contain minerals not determined to be conflict free or if Medtronic is unable to sufficiently verify the origins for all conflict minerals used in the company s products through the procedures it implements.

Foreign governmental regulations have become increasingly stringent and more common, and Medtronic may become subject to more rigorous regulation by foreign governmental authorities in the future. Penalties for a company s non-compliance with foreign governmental regulation could be severe, including revocation or suspension of a company s business license and criminal sanctions. Any domestic or foreign governmental law or regulation imposed in the future may have a material adverse effect on Medtronic. Medtronic s worldwide operations are also required to comply with the U.S. Foreign Corrupt Practices Act (FCPA) and similar anti-bribery laws in other jurisdictions and with U.S. and foreign export control, trade embargo and customs laws. If Medtronic fails to comply with them, the company could suffer civil and/or criminal sanctions.

Medtronic is also subject to various environmental laws and regulations both within and outside the U.S. Medtronic s operations involve the use of substances regulated under environmental laws, primarily those used in manufacturing

and sterilization processes. Medtronic cannot guarantee that compliance with environmental protection laws and regulations will not have a material impact on Medtronic s consolidated earnings, financial condition, and/or cash flows.

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Medtronic s failure to comply with rules relating to reimbursement and regulation of health care goods and services may subject Medtronic to penalties and adversely impact Medtronic s reputation and business operations.

Medtronic s devices and therapies are subject to regulation regarding quality and cost by the U.S. Department of Health and Human Services (HHS), including the Centers for Medicare & Medicaid Services (CMS) as well as comparable state and non-U.S. agencies responsible for reimbursement and regulation of health care goods and services. U.S. federal government health care laws apply when Medtronic submits a claim on behalf of a U.S. federal health care program beneficiary, or when a customer submits a claim for an item or service that is reimbursed under a U.S. federal government-funded health care program, such as Medicare or Medicaid. The principal U.S. federal laws implicated include those that prohibit the filing of false or improper claims for federal payment, known as the false claims laws; those that prohibit unlawful inducements for the referral of business reimbursable under federally-funded health care programs, known as the anti-kickback laws; and that which prohibits health care service providers seeking reimbursement for providing certain services to a patient who was referred by a physician who has certain types of direct or indirect financial relationships with the service provider, known as the Stark law.

The laws applicable to Medtronic are subject to evolving interpretations. If a governmental authority were to conclude that Medtronic is not in compliance with applicable laws and regulations, Medtronic and its officers and employees could be subject to severe criminal and civil penalties, including, for example, exclusion from participation as a supplier of product to beneficiaries covered by CMS. If Medtronic is excluded from participation based on such an interpretation it could adversely affect the company s reputation and business operations.

Quality problems with Medtronic s processes, goods, and services could harm the company s reputation for producing high-quality products and erode the company s competitive advantage, sales, and market share.

Quality is extremely important to Medtronic and Medtronic s customers due to the serious and costly consequences of product failure. Medtronic s quality certifications are critical to the marketing success of Medtronic s goods and services. If Medtronic fails to meet these standards, the company s reputation could be damaged, the company could lose customers, and the company s revenue and results of operations could decline. Aside from specific customer standards, Medtronic s success depends generally on the company s ability to manufacture to exact tolerances precision-engineered components, subassemblies, and finished devices from multiple materials. If Medtronic s components fail to meet these standards or fail to adapt to evolving standards, the company s reputation as a manufacturer of high-quality components will be harmed, the company s competitive advantage could be damaged, and the company could lose customers and market share.

Medtronic is substantially dependent on patent and other proprietary rights and failing to protect such rights or to be successful in litigation related to the company s rights or the rights of others may result in the company s payment of significant monetary damages and/or royalty payments, negatively impact the company s ability to sell current or future products, or prohibit the company from enforcing its patent and other proprietary rights against others.

Medtronic operates in an industry characterized by extensive patent litigation. Patent litigation against Medtronic can result in significant damage awards and injunctions that could prevent Medtronic s manufacture and sale of affected products or require Medtronic to pay significant royalties in order to continue to manufacture or sell affected products. At any given time, Medtronic is generally involved as both a plaintiff and a defendant in a number of patent infringement actions, the outcomes of which may not be known for prolonged periods of time. While it is not possible to predict the outcome of patent litigation, Medtronic believes the results associated with any such litigation could result in the company s payment of significant monetary damages and/or royalty payments, negatively impact the company s ability to sell current or future products, or prohibit the company from enforcing its patent and proprietary

rights against others, which would generally have a material adverse impact on Medtronic s consolidated earnings, financial condition, and/or cash flows.

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Medtronic relies on a combination of patents, trade secrets, and non-disclosure and non-competition agreements to protect the company s proprietary intellectual property, and the company will continue to do so. While Medtronic intends to defend against any threats to the company s intellectual property, these patents, trade secrets, or other agreements may not adequately protect Medtronic s intellectual property. Further, pending patent applications owned by Medtronic may not result in patents being issued to the company, patents issued to or licensed by Medtronic in the past or in the future may be challenged or circumvented by competitors and such patents may be found invalid, unenforceable or insufficiently broad to protect Medtronic s technology or to provide Medtronic with any competitive advantage. Third parties could obtain patents that may require Medtronic to negotiate licenses to conduct the company s business, and the required licenses may not be available on reasonable terms or at all. Medtronic also relies on non-disclosure and non-competition agreements with certain employees, consultants, and other parties to protect, in part, trade secrets and other proprietary rights. Medtronic cannot be certain that these agreements will not be breached, that the company will have adequate remedies for any breach, that others will not independently develop substantially equivalent proprietary information, or that third parties will not otherwise gain access to the company s trade secrets or proprietary knowledge.

In addition, the laws of certain countries in which Medtronic markets some of the company s products do not protect Medtronic s intellectual property rights to the same extent as the laws of the U.S. If Medtronic is unable to protect the company s intellectual property in these countries, it could have a material adverse effect on the Medtronic s business, financial condition, or results of operations.

Product liability claims could adversely impact Medtronic s financial condition and the company s earnings and impair the company s reputation.

Medtronic s business exposes the company to potential product liability risks that are inherent in the design, manufacture, and marketing of medical devices. In addition, many of the medical devices Medtronic manufactures and sells are designed to be implanted in the human body for long periods of time or indefinitely. Component failures, manufacturing defects, design flaws, or inadequate disclosure of product-related risks or product-related information with respect to Medtronic s products could result in an unsafe condition or injury to, or death of, a patient. The occurrence of such a problem could result in product liability claims or a recall of, or safety alert relating to, one or more of Medtronic s products, which could ultimately result, in certain cases, in the removal from the body of such products and claims regarding costs associated therewith. Medtronic has elected to self-insure with respect to product liability risks. Product liability claims or product recalls in the future, regardless of their ultimate outcome, could have a material adverse effect on Medtronic s business and reputation and on the company s ability to attract and retain customers for the company s products.

Health care policy changes, including U.S. health care reform legislation signed in 2010, may have a material adverse effect on Medtronic.

In response to perceived increases in health care costs in recent years, there have been and continue to be proposals by the federal government, state governments, regulators, and third-party payers to control these costs and, more generally, to reform the U.S. health care system. Certain of these proposals could limit the prices Medtronic is able to charge for the company s products or the amounts of reimbursement available for the company s products and could limit the acceptance and availability of the company s products. The adoption of some or all of these proposals could have a material adverse effect on Medtronic s financial position and results of operations.

In March 2010, President Obama signed into law the Patient Protection and Affordable Care Act and the Health Care and Education Affordability Reconciliation Act of 2010. Certain provisions of the law will not be effective for a number of years and there are many programs and requirements for which the details have not yet been fully

established or consequences not fully understood, and it is unclear what the full impacts will be from the law. The legislation imposes significant new taxes on medical device makers in the form of a 2.3 percent excise tax on all U.S. medical device sales that commenced in January 2013. Under the legislation, the total cost to the medical device industry is expected to be approximately $20 billion over 10 years. Medtronic expects the

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new tax will materially and adversely affect Medtronic s business, cash flows and results of operations. The law also focuses on a number of Medicare provisions aimed at improving quality and decreasing costs. It is uncertain at this point what negative unintended consequences these provisions will have on patient access to new technologies. The Medicare provisions include value-based payment programs, increased funding of comparative effectiveness research, reduced hospital payments for avoidable readmissions and hospital acquired conditions, and pilot programs to evaluate alternative payment methodologies that promote care coordination (such as bundled physician and hospital payments). Additionally, the law includes a reduction in the annual rate of inflation for Medicare payments to hospitals that began in 2011 and the establishment of an independent payment advisory board to recommend ways of reducing the rate of growth in Medicare spending. Medtronic cannot predict what health care programs and regulations will be ultimately implemented at the federal or state level, or the effect of any future legislation or regulation. However, any changes that lower reimbursement for Medtronic s products or reduce medical procedure volumes could adversely affect Medtronic s business and results of operations.

Medtronic s self-insurance program may not be adequate to cover future losses.

Medtronic has elected to self-insure most of the company s insurable risks. Medtronic made this decision based on conditions in the insurance marketplace that have led to increasingly higher levels of self-insurance retentions, increasing numbers of coverage limitations, and dramatically higher insurance premium rates. Medtronic maintains a directors and officers policy providing limited coverage and continues to monitor the insurance marketplace to evaluate the value to the company of obtaining insurance coverage for other categories of losses in the future. While based on historical loss trends Medtronic believes that the company s self-insurance program accruals and the company s existing insurance coverage will be adequate to cover future losses, Medtronic cannot guarantee that this will remain true. Historical trends may not be indicative of future losses. The fact that Medtronic does not maintain third-party insurance coverage for all categories of losses increases Medtronic s exposure to unanticipated claims, and these losses could have a material adverse impact on Medtronic s consolidated earnings, financial condition, and/or cash flows.

If Medtronic experiences decreasing prices for the company s goods and services and the company is unable to reduce its expenses, the results of the Medtronic s operations will suffer.

Medtronic may experience decreasing prices for the company s goods and services due to pricing pressure experienced by the company s customers from managed care organizations and other third-party payers, increased market power of the company s customers as the medical device industry consolidates, and increased competition among medical engineering and manufacturing services providers. If the prices for Medtronic s goods and services decrease and Medtronic is unable to reduce the company s expenses, the results of the company s operations will be adversely affected.

Continuing worldwide economic instability, including challenges faced by the Eurozone countries, could adversely affect Medtronic s revenues, financial condition or results of operations.

Since fiscal year 2008, the global economy has been impacted by the sequential effects of an ongoing global financial crisis. This global financial crisis, including the European sovereign debt crisis, has caused extreme disruption in the financial markets, including severely diminished liquidity and credit availability. There can be no assurance that there will not be further deterioration in the global economy. Medtronic s customers and vendors may experience financial difficulties or be unable to borrow money to fund their operations which may adversely impact their ability to purchase Medtronic s products or to pay for Medtronic s products on a timely basis, if at all. As with Medtronic s customers and vendors, these economic conditions make it more difficult for Medtronic to accurately forecast and plan the company s future business activities. In addition, a significant amount of Medtronic s trade receivables are

with national health care systems in many countries (including, but not limited to, Greece, Ireland, Portugal, and Spain). Repayment of these receivables is dependent upon the financial stability of the economies of those countries.

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In light of these global economic fluctuations, Medtronic continues to monitor the creditworthiness of customers located outside the U.S. Failure to receive payment of all or a significant portion of these receivables could adversely affect Medtronic s results of operations. Further, there are concerns for the overall stability and suitability of the Euro as a single currency, given the economic and political challenges facing individual Eurozone countries. Continuing deterioration in the creditworthiness of the Eurozone countries, the withdrawal of one or more member countries from the European Union (EU), or the failure of the Euro as a common European currency could adversely affect Medtronic s revenues, financial condition or results of operations.

Medtronic is subject to a variety of market and financial risks due to the company s international operations that could adversely affect those operations or Medtronic s profitability and operating results.

Medtronic s operations in countries outside the U.S., which accounted for 46 percent of Medtronic s net sales for the fiscal year ended April 25, 2014, are accompanied by certain financial and other risks. Medtronic intends to continue to pursue growth opportunities in sales outside the U.S., especially in emerging markets, which could expose Medtronic to greater risks associated with international sales and operations. Medtronic s profitability and international operations are, and will continue to be, subject to a number of risks and potential costs, including:

- local product preferences and product requirements;
- longer-term receivables than are typical in the U.S.;
- fluctuations in foreign currency exchange rates;
- less intellectual property protection in some countries outside the U.S. than exists in the U.S.;
- trade protection measures and import and export licensing requirements;
- workforce instability;
- political and economic instability; and
- the potential payment of U.S. income taxes on certain earnings of Medtronic s subsidiaries outside the U.S. upon repatriation.

In particular, the Obama Administration has announced potential legislative proposals to tax profits of U.S. companies earned abroad. While it is impossible for Medtronic to predict whether these and other proposals will be implemented, or how they will ultimately impact Medtronic, they may materially impact Medtronic s results of operations if, for example, Medtronic s profits earned abroad are subject to U.S. income tax or Medtronic is otherwise disallowed deductions as a result of these profits.

Finally, changes in foreign currency exchange rates may reduce the reported value of Medtronic s foreign currency revenues, net of expenses, and cash flows. Medtronic cannot predict changes in currency exchange rates, the impact of exchange rate changes, nor the degree to which Medtronic will be able to manage the impact of currency exchange rate changes.

Medtronic s international operations expose Medtronic to legal and regulatory risks, which could have a material effect on Medtronic s business.

In addition to market and financial risks, Medtronic s profitability and international operations are, and will continue to be, subject to risks relating to changes in foreign medical reimbursement programs and policies and changes in foreign legal and regulatory requirements. In addition, Medtronic s international operations are governed by various U.S. laws and regulations, including the FCPA and other similar laws that prohibit Medtronic and Medtronic s business partners from making improper payments or offers of payment to foreign governments and their officials and political parties for the purpose of obtaining or retaining business. Global enforcement of anti-corruption laws has increased substantially in recent years, with more frequent voluntary self-disclosures by companies, aggressive investigations and enforcement proceedings by U.S. and foreign

governmental agencies, and assessment of significant fines and penalties against companies and individuals. Medtronic s international operations create the risk of unauthorized payments or offers of payments by one of Medtronic s employees, consultants, sales agents, or distributors because these parties are not always subject to Medtronic s control. It is Medtronic s policy to implement safeguards to discourage these practices. However, Medtronic s existing safeguards and any future improvements may prove to be less than effective, and Medtronic s employees, consultants, sales agents, or distributors may engage in conduct for which Medtronic might be held responsible. Any alleged or actual violations of these regulations may subject Medtronic to government scrutiny, severe criminal or civil sanctions and other liabilities, including exclusion from government contracting, and could negatively affect Medtronic s business, reputation, operating results, and financial condition. In addition, the government may seek to hold Medtronic liable for successor liability FCPA violations committed by any companies in which Medtronic invests or that Medtronic acquires.

Consolidation in the health care industry could have an adverse effect on Medtronic s revenues and results of operations.

Many health care industry companies, including health care systems, are consolidating to create new companies with greater market power. As the health care industry consolidates, competition to provide goods and services to industry participants will become more intense. These industry participants may try to use their market power to negotiate price concessions or reductions for medical devices that incorporate components produced by Medtronic. If Medtronic is forced to reduce the company s prices because of consolidation in the health care industry, Medtronic s revenues would decrease and Medtronic s consolidated earnings, financial condition, and/or cash flows would suffer.

Medtronic s business is indirectly subject to health care industry cost-containment measures that could result in reduced sales of medical devices containing Medtronic s components.

Most of Medtronic s customers, and the health care providers to whom Medtronic s customers supply medical devices, rely on third-party payers, including government programs and private health insurance plans, to reimburse some or all of the cost of the procedures in which medical devices that incorporate components Medtronic manufactures or assembles are used. The continuing efforts of governmental authorities, insurance companies, and other payers of health care costs to contain or reduce these costs could lead to patients being unable to obtain approval for payment from these third-party payers. If third-party payer payment approval cannot be obtained by patients, sales of finished medical devices that include Medtronic s components may decline significantly, and Medtronic s customers may reduce or eliminate purchases of Medtronic s components. The cost-containment measures that health care providers are instituting, both in the U.S. and internationally, could harm Medtronic s ability to operate profitably. For example, managed care organizations have successfully negotiated volume discounts for pharmaceuticals. While this type of discount pricing does not currently exist for medical devices, if managed care or other organizations were able to affect discount pricing for devices, it could result in lower prices to Medtronic s customers from their customers and, in turn, reduce the amounts Medtronic can charge its customers for the company s medical devices.

Medtronic s research and development efforts rely upon investments and investment collaborations, and Medtronic cannot guarantee that any previous or future investments or investment collaborations will be successful.

Medtronic s strategy to provide a broad range of therapies to restore patients to fuller, healthier lives requires a wide variety of technologies, products, and capabilities. The rapid pace of technological development in the medical industry and the specialized expertise required in different areas of medicine make it difficult for one company alone to develop a broad portfolio of technological solutions. In addition to internally generated growth through Medtronic s research and development efforts, historically, Medtronic has relied, and expects to continue to rely, upon investments and investment collaborations to provide Medtronic access to new technologies both in areas served by Medtronic s

existing businesses as well as in new areas.

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Medtronic expects to make future investments where Medtronic believes that the company can stimulate the development of, or acquire, new technologies and products to further Medtronic s strategic objectives and strengthen Medtronic s existing businesses. Investments and investment collaborations in and with medical technology companies are inherently risky, and Medtronic cannot guarantee that any of Medtronic s previous or future investments or investment collaborations will be successful or will not materially adversely affect Medtronic s consolidated earnings, financial condition, and/or cash flows.

The continuing development of many of Medtronic s products depends upon Medtronic maintaining strong relationships with health care professionals.

If Medtronic fails to maintain the company s working relationships with health care professionals, many of Medtronic s products may not be developed and marketed in line with the needs and expectations of the professionals who use and support Medtronic s products, which could cause a decline in Medtronic s earnings and profitability. The research, development, marketing, and sales of many of Medtronic s new and improved products is dependent upon Medtronic maintaining working relationships with health care professionals. Medtronic relies on these professionals to provide Medtronic with considerable knowledge and experience regarding the development, marketing, and sale of Medtronic s products. Physicians assist Medtronic as researchers, marketing and product consultants, inventors, and public speakers. If Medtronic is unable to maintain the company s strong relationships with these professionals and continue to receive their advice and input, the development and marketing of Medtronic s products could suffer, which could have a material adverse effect on Medtronic s consolidated earnings, financial condition, and/or cash flows.

Negative conditions in the global credit market may impair Medtronic s commercial paper program, Medtronic s auction rate securities, and Medtronic s other fixed income securities, which may cause losses and liquidity issues for Medtronic.

Medtronic has investments in marketable debt securities that are classified and accounted for as available-for-sale. Medtronic s debt securities include U.S. and foreign government and agency securities, corporate debt securities, certificates of deposit, debt funds, and mortgage-backed and other asset-backed securities, including auction rate securities. Market conditions over the past several years have included periods of significant economic uncertainty and at times general market distress, especially in the banking and financial services sector. During these periods of economic uncertainty, Medtronic may experience reduced liquidity across the fixed-income investment market, including the securities in which Medtronic invests. In the event Medtronic needs to sell these securities, Medtronic may not be able to do so in a timely manner or for a value that is equal to the underlying principal. In addition, Medtronic may be required to adjust the carrying value of the securities and record an impairment charge. If Medtronic determines that the fair value of such securities is temporarily impaired, Medtronic would record a temporary impairment as a component of accumulated other comprehensive loss within shareholders equity. If it is determined that the fair value of these securities is other-than-temporarily impaired, Medtronic would record a loss in the company s consolidated statements of earnings, which could materially adversely impact Medtronic s results of operations and financial condition.

Negative market conditions may also impair Medtronic s ability to access the capital markets through the issuance of commercial paper or debt securities, or may impact Medtronic s ability to sell such securities at a reasonable price and may negatively impact Medtronic s ability to borrow from financial institutions.

Medtronic s products are continually the subject of clinical trials conducted by Medtronic, Medtronic s competitors, or other third parties, the results of which may be unfavorable, or perceived as unfavorable, and could have a material adverse effect on Medtronic s business, financial condition, and results of operations.

As a part of the regulatory process of obtaining marketing clearance for new products and new indications for existing products, Medtronic conducts and participates in numerous clinical trials with a variety of study designs, patient populations, and trial endpoints. Unfavorable or inconsistent clinical data from existing or future

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clinical trials conducted by Medtronic, by Medtronic s competitors, or by third parties, or the market s or U.S. FDA s perception of this clinical data, may adversely impact Medtronic s ability to obtain product approvals, Medtronic s position in, and share of, the markets in which Medtronic participates, and Medtronic s business, financial condition, and results of operations.

Failure to integrate acquired businesses into Medtronic s operations successfully could adversely affect Medtronic s business.

As part of Medtronic s strategy to develop and identify new products and technologies, Medtronic has made several acquisitions in recent years and may make additional acquisitions in the future. Medtronic s integration of the operations of acquired businesses requires significant efforts, including the coordination of information technologies, research and development, sales and marketing, operations, manufacturing, and finance. These efforts result in additional expenses and involve significant amounts of management s time that cannot then be dedicated to other projects. Medtronic s failure to manage and coordinate the growth of the combined company successfully could also have an adverse impact on Medtronic s business. In addition, Medtronic cannot be certain that the businesses Medtronic acquires will become profitable or remain so. If Medtronic s acquisitions are not successful, Medtronic may record unexpected impairment charges. Factors that will affect the success of Medtronic s acquisitions include:

- the presence or absence of adequate internal controls and/or significant fraud in the financial systems of acquired companies;
- adverse developments arising out of investigations by governmental entities of the business practices of acquired companies, including potential liability imposed by the FCPA;
- any decrease in customer loyalty and product orders caused by dissatisfaction with the combined companies product lines and sales and marketing practices, including price increases;
- Medtronic s ability to retain key employees; and
- the ability of the combined company to achieve synergies among its constituent companies, such as increasing sales of the combined company s products, achieving cost savings, and effectively combining technologies to develop new products.

For additional information regarding risks relating to the transaction, see risk factors above under the headings *Risks Relating to the Transaction* and *Risks Relating to the Business of the Combined Company*.

The medical device industry is the subject of numerous governmental investigations into marketing and other business practices. These investigations could result in the commencement of civil and/or criminal proceedings, substantial fines, penalties, and/or administrative remedies, divert the attention of Medtronic s management, and have an adverse effect on Medtronic s financial condition and results of operations.

Medtronic is subject to rigorous regulation by the U.S. FDA and numerous other federal, state, and foreign governmental authorities. These authorities have been increasing their scrutiny of Medtronic s industry. Medtronic has

received subpoenas and other requests for information from state and federal governmental agencies, including, among others, the DOJ and the Office of Inspector General of HHS. These investigations have related primarily to financial arrangements with health care providers, regulatory compliance, and product promotional practices. Similar requests were made of Medtronic s major competitors.

Medtronic is fully cooperating with these investigations and is responding to these requests. However, Medtronic cannot predict when these investigations will be resolved, the outcome of these investigations, or their impact on Medtronic. An adverse outcome in one or more of these investigations could include the commencement of civil and/or criminal proceedings, substantial fines, penalties, and/or administrative remedies, including exclusion from government reimbursement programs, entry into Corporate Integrity Agreements

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(CIAs) with governmental agencies and amendments to existing CIAs. In addition, resolution of any of these matters could involve the imposition of additional and costly compliance obligations. Finally, if these investigations continue over a long period of time, they could divert the attention of management from the day-to-day operations of Medtronic s business and impose significant administrative burdens, including cost, on Medtronic. These potential consequences, as well as any adverse outcome from these investigations or other investigations initiated by the government at any time, could have a material adverse effect on Medtronic s financial condition and results of operations.

Changes in tax laws or exposure to additional income tax liabilities could have a material impact on Medtronic s financial condition and results of operations.

Medtronic is subject to income taxes as well as non-income based taxes, in both the U.S. and various jurisdictions outside the U.S. Medtronic is subject to ongoing tax audits in various jurisdictions. Tax authorities may disagree with certain positions Medtronic has taken and assess additional taxes. Medtronic regularly assesses the likely outcomes of these audits in order to determine the appropriateness of Medtronic s tax provision. However, there can be no assurance that Medtronic will accurately predict the outcomes of these audits, and the actual outcomes of these audits could have a material impact on Medtronic s consolidated earnings and financial condition. Additionally, changes in tax laws or tax rulings could materially impact Medtronic s effective tax rate. For example, recent legislation imposed on medical device manufacturers a 2.3 percent excise tax on U.S. sales of medical devices beginning in January 2013. Proposals for fundamental U.S. corporate tax reform, if enacted, could have a material impact on Medtronic s future results of operations.

Medtronic is increasingly dependent on sophisticated information technology and if Medtronic fails to properly maintain the integrity of the company s data or if Medtronic s products do not operate as intended, Medtronic s business could be materially affected.

Medtronic is increasingly dependent on sophisticated information technology for its products and infrastructure. As a result of technology initiatives, recently enacted regulations, changes in Medtronic s system platforms and integration of new business acquisitions, Medtronic has been consolidating and integrating the number of systems the company operates and has upgraded and expanded the company s information systems capabilities. Medtronic s information systems require an ongoing commitment of significant resources to maintain, protect, and enhance existing systems and develop new systems to keep pace with continuing changes in information processing technology, evolving systems and regulatory standards, the increasing need to protect patient and customer information, and changing customer patterns. In addition, third parties may attempt to hack into Medtronic s products or systems and may obtain data relating to patients with Medtronic s products or Medtronic s proprietary information. If Medtronic fails to maintain or protect the company s information systems and data integrity effectively, Medtronic could lose existing customers, have difficulty attracting new customers, have problems in determining product cost estimates and establishing appropriate pricing, have difficulty preventing, detecting, and controlling fraud, have disputes with customers, physicians, and other health care professionals, have regulatory sanctions or penalties imposed, have increases in operating expenses, incur expenses or lose revenues as a result of a data privacy breach, or suffer other adverse consequences. There can be no assurance that Medtronic s process of consolidating the number of systems Medtronic operates, upgrading and expanding Medtronic s information systems capabilities, protecting and enhancing Medtronic s systems and developing new systems to keep pace with continuing changes in information processing technology will be successful or that additional systems issues will not arise in the future. Any significant breakdown, intrusion, interruption, corruption, or destruction of these systems, as well as any data breaches, could have a material adverse effect on Medtronic s business.

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SELECTED HISTORICAL FINANCIAL DATA OF MEDTRONIC

Medtronic is providing you with the following selected historical consolidated financial information to assist you in your analysis of the financial aspects of the transaction. Medtronic derived (i) the financial information as of and for the fiscal years ended April 30, 2010 through April 25, 2014 from its audited financial statements for the fiscal years then ended and (ii) the financial information as of and for the three months ended July 25, 2014 and July 26, 2013 from its unaudited condensed consolidated financial statements which include, in the opinion of Medtronic s management, all normal and recurring adjustments that are considered necessary for the fair presentation of the results for such interim periods and dates. The information set forth below is only a summary that you should read together with the historical audited consolidated financial statements of Medtronic and the related notes and the historical unaudited consolidated financial statements of Medtronic and the related notes, as well as the section titled *Medtronic Management s Discussion and Analysis of Financial Condition and Results of Operations* included in this joint proxy statement/prospectus. Historical results are not necessarily indicative of any results to be expected in the future.

	(Unaudited) Three months ended		Fiscal Year Ended Last Friday of April				
	July 25, 2014	July 26, 2013	2014	2013	2012	2011	2010
(in millions, except per share data)							
Operating Results for the Fiscal Year:							
Net sales	$ 4,273	$ 4,083	$ 17,005	$ 16,590	$ 16,184	$ 15,508	$ 15,392
Earnings from continuing operations	871	953	3,065	3,467	3,415	3,055	3,083
Earnings from discontinued operations, net of tax					202	41	16
Net earnings	871	953	3,065	3,467	3,617	3,096	3,099
Per Share of Common Stock:							
Basic Earnings from continuing operations	$ 0.88	$ 0.94	$ 3.06	$ 3.40	$ 3.24	$ 2.84	$ 2.79
Basic Net earnings	0.88	0.94	3.06	3.40	3.43	2.87	2.80
Diluted Earnings from continuing operations	0.87	0.93	3.02	3.37	3.22	2.82	2.78
Diluted Net earnings	0.87	0.93	3.02	3.37	3.41	2.86	2.79
Cash dividends declared	0.305	0.280	1.12	1.04	0.97	0.90	0.82
Financial Position at Fiscal Year-end:							
Working capital	$ 15,337	$ 13,805	$ 15,651	$ 13,902	$ 10,409	$ 9,437	$ 8,482
Total assets	37,554	34,972	37,943	34,900	32,818	30,662	28,305
Long-term debt	10,323	9,637	10,315	9,741	7,359	8,112	6,944
Shareholders equity	19,248	18,519	19,443	18,671	17,113	15,968	14,629

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SELECTED HISTORICAL FINANCIAL DATA OF COVIDIEN

Covidien is providing you with the following selected historical consolidated financial information to assist you in your analysis of the financial aspects of the transaction. Covidien derived (i) the financial information as of September 25, 2009 and September 24, 2010 and as of and for the fiscal years ended September 30, 2011 through September 27, 2013 from its audited consolidated financial statements for the fiscal years then ended, (ii) the financial information for the fiscal years ended September 25, 2009 and September 24, 2010 from its unaudited consolidated financial statements for the fiscal years then ended, as amounts have been recast to reflect Covidien s former Pharmaceuticals business as discontinued operations, and (iii) the financial information as of and for the nine months ended June 27, 2014 and June 28, 2013 from its unaudited condensed consolidated financial statements which include, in the opinion of Covidien s management, all normal and recurring adjustments that are considered necessary for the fair presentation of the results for such interim periods and dates. The information set forth below is only a summary that you should read together with the historical audited and unaudited consolidated financial statements of Covidien and the related notes, as well as the section titled *Management s Discussion and Analysis of Financial Condition and Results of Operations* contained in Covidien s Current Report on Form 8-K filed with the SEC on July 11, 2014 and Covidien s Quarterly Report on Form 10-Q for the quarterly period ended June 27, 2014 filed with the SEC on July 30, 2014, each of which is incorporated by reference into this joint proxy statement/prospectus. Historical results are not necessarily indicative of any results to be expected in the future.

	Nine Months Ended		Fiscal Year Ended Last Friday of September				
	June 27, 2014	June 28, 2013	2013	2012	2011[1]	2010	2009
(in millions, except per share data)							
Consolidated Statement of Income Data[2]:							
Net sales	$ 7,925	$ 7,675	$ 10,235	$ 9,851	$ 9,607	$ 8,438	$ 7,813
Gross profit[3]	4,665	4,598	6,085	5,907	5,721	4,945	4,411
Selling, general, and administrative expenses[4]	2,780	2,505	3,340	3,261	3,153	2,825	2,846
Research and development expenses[5]	397	362	508	479	412	333	386
Restructuring charges, net	116	71	105	82	114	66	34
Gain on divestiture, net	(107)						
Operating Income	1,479	1,660	2,132	2,085	2,042	1,721	1,145
Interest expense, net	(143)	(148)	(192)	(191)	(184)	(179)	(151)
Other income, net[6]	86	74	89	25	22	40	145
Income from continuing operations before income taxes	1,422	1,586	2,029	1,919	1,880	1,582	1,139
Income from continuing operations	1,145	1,236	1,600	1,637	1,581	1,276	501
Consolidated Balance Sheet Data (End of Period):							
Total assets	$ 20,223	$ 20,215	$ 19,918	$ 22,257	$ 20,374	$ 20,387	$ 17,139
Long-term debt	4,042	5,063	5,018	4,531	4,197	4,451	2,961
Shareholders equity	9,954	9,671	9,242	10,565	9,817	8,974	8,001
Share Data:							
Income from continuing operations:							

Basic earnings per share	$ 2.54	$ 2.63	$ 3.43	$ 3.40	$ 3.21	$ 2.55	$ 1.00
Diluted earnings per share	$ 2.51	$ 2.61	$ 3.40	$ 3.37	$ 3.18	$ 2.53	$ 0.99
Cash dividends declared per ordinary share	$ 0.64	$ 0.52	$ 1.10	$ 0.94	$ 0.83	$ 0.74	$ 0.66
Basic weighted average number of shares outstanding	451	470	467	481	493	500	503
Diluted weighted average number of shares outstanding	455	474	471	486	497	504	505

(1) Fiscal year 2011 includes 53 weeks. All other fiscal years above include 52 weeks.

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(2) Derived from unaudited consolidated financial statements, as amounts have been recast to reflect Covidien s former Pharmaceuticals business as discontinued operations.

(3) Gross profit for the first nine months of fiscal 2014 includes $16 million of charges related to the sale of acquired inventory that had been written up to fair value upon the acquisition of businesses, $5 million of restructuring-related accelerated depreciation expense, and $3 million of inventory impairments resulting from the exit of the OneShot ™ renal denervation program. Gross profit for the first nine months of fiscal 2013 includes $2 million of restructuring-related accelerated depreciation expense. Gross profit for fiscal 2013 includes $4 million of restructuring-related accelerated depreciation expense. Gross profit for fiscal 2012 includes $17 million of charges related to the sale of acquired inventory that had been written up to fair value upon the acquisition of a business, $15 million of inventory impairments resulting from a product discontinuance and $5 million of restructuring-related accelerated depreciation expense. Gross profit for fiscal 2011 includes $32 million of charges related to the sale of acquired inventory that had been written up to fair value upon the acquisition of a business and $2 million of restructuring-related accelerated depreciation expense. Gross profit for fiscal 2010 includes $39 million of charges related to the sale of acquired inventory that had been written up to fair value upon the acquisition of a business.

(4) Amount for the first nine months of fiscal 2014 includes a $181 million legal charge resulting from an increase to Covidien s estimated indemnification obligation for certain pelvic mesh products liability cases, a charge of $65 million for the estimated additional cost to remediate environmental matters at a site located in Orrington, Maine, transaction costs of $8 million resulting from the definitive agreement to be acquired by Medtronic, a $6 million net charge resulting from the exit of the OneShot™ renal denervation program, and income of $4 million resulting from adjustments to contingent consideration. Amount for the first nine months of fiscal 2013 includes income of $4 million resulting from adjustments to contingent consideration. Amount for fiscal 2013 includes a charge of $4 million resulting from entering into a distribution agreement and income of $3 million resulting from adjustments to contingent consideration. Amount for fiscal 2012 includes legal charges of $49 million related to Covidien s indemnification obligations for certain claims pertaining to all known pending and estimated future pelvic mesh product liability claims, $20 million of transaction costs associated with acquisitions and a $3 million capital equipment impairment resulting from a product discontinuance. Amount for fiscal 2011 includes legal charges of $35 million related to Covidien s indemnification obligations for certain claims pertaining to all known pending and estimated future pelvic mesh products liability claims, net of insurance recoveries and shareholder settlement income. Amount for fiscal 2010 includes transaction costs of $39 million associated with acquisitions, a legal charge of $33 million related to an antitrust case and a net loss on divestitures of $25 million. Amount for fiscal 2009 includes charges of $183 million for Covidien s share of settlements of Tyco International securities cases and Covidien s portion of the estimated cost to settle all the remaining Tyco International securities cases outstanding, legal charges totaling $94 million for three antitrust cases, a charge of $71 million for the estimated additional cost to remediate environmental matters at a site located in Orrington, Maine and charges totaling $21 million related to divestitures.

(5) Includes charges resulting from entering into license agreements of $17 million and $12 million during fiscal 2013 and 2012, respectively. Amount for fiscal 2009 includes $115 million of in-process research and development charges.

(6) Amounts primarily relate to the impact of the tax sharing agreement with Tyco International and TE Connectivity Ltd.

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SELECTED UNAUDITED PRO FORMA FINANCIAL DATA

The following selected unaudited pro forma financial data (selected pro forma data) gives effect to the acquisition of Covidien by Medtronic. The selected pro forma data have been prepared using the acquisition method of accounting under U.S. generally accepted accounting principles, under which the assets and liabilities of Covidien will be recorded by Medtronic at their respective fair values as of the date the acquisition is completed. The selected Unaudited Pro Forma Condensed Combined Balance Sheet data as of July 25, 2014 gives effect to the transaction as if it had occurred on July 25, 2014. The selected Unaudited Pro Forma Condensed Combined Statements of Earnings data for the three months ended July 25, 2014 and for the fiscal year ended April 25, 2014 give effect to New Medtronic s results of operations as if the transaction had occurred on April 27, 2013, the beginning of fiscal year 2014.

The selected pro forma data have been derived from, and should be read in conjunction with, the more detailed unaudited pro forma condensed combined financial statements (pro forma statements) of the combined company appearing elsewhere in this joint proxy statement/prospectus and the accompanying notes to the pro forma statements. In addition, the pro forma statements were based on, and should be read in conjunction with, the historical audited financial statements of Medtronic (which are available in this joint proxy statement/prospectus), the historical unaudited financial statements of Medtronic for the three-month period ended July 25, 2014 (which are available in this joint proxy statement/prospectus), the historical audited financial statements of Covidien (which are available in Covidien s Current Report on Form 8-K filed with the SEC on July 11, 2014) and the historical unaudited financial statements of Covidien for the nine-month period ended June 27, 2014 and the six-month periods ended March 28, 2014 and March 29, 2013 (which are available in Covidien s Quarterly Reports on Form 10-Q for the quarterly periods ended June 27, 2014 and March 28, 2014). See *Where You Can Find More Information* and *Unaudited Pro Forma Condensed Combined Financial Information* sections of this joint proxy statement/prospectus for additional information. The selected pro forma data has been presented for informational purposes only and is not necessarily indicative of what the combined company s financial position or results of operations actually would have been had the acquisition been completed as of the dates indicated. In addition, the selected pro forma data does not purport to project the future financial position or operating results of the combined company. Also, as explained in more detail in the accompanying notes to the pro forma statements, the preliminary purchase price (consideration) and fair value assessment of assets and liabilities reflected in the selected pro forma data is subject to adjustment and may vary significantly from the final actual purchase price (consideration) and fair value assessment of assets and liabilities that will be recorded upon completion of the acquisition. Any excess of the purchase price over the fair value of identified assets acquired and liabilities assumed will be recognized as goodwill.

Selected Unaudited Pro Forma Condensed Combined Statement of Earnings Data

(in millions, except per share data)	For the three months ended July 25, 2014	For the fiscal year ended April 25, 2014
	(Pro forma combined)	(Pro forma combined)
Net sales	$ 6,961	$ 27,380
Earnings from continuing operations	$ 795	$ 2,943
Earnings from continuing operations per share-basic	$ 0.56	$ 2.05
Earnings from continuing operations per share-diluted	$ 0.55	$ 2.03

Weighted average shares outstanding-basic	1,427.2	1,436.7
Weighted average shares outstanding-diluted	1,442.6	1,450.9

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Selected Unaudited Pro Forma Condensed Combined Balance Sheet

(in millions)	As of July 25, 2014 (Pro forma combined)
Total assets	$ 100,789
Long-term debt	31,146
Total liabilities	51,288
Total shareholders equity and redeemable noncontrolling interest	49,501

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This joint proxy statement/prospectus and the documents incorporated into it by reference contain forward-looking statements concerning Medtronic, Covidien, New Medtronic, the acquisition, the merger and the other transactions contemplated by the Transaction Agreement that involve risks and uncertainties. All statements, trend analyses and other information contained herein about the markets for the services and products of New Medtronic, Medtronic and Covidien and future trends, plans, events, results of operations or financial condition, as well as other statements identified by the use of forward-looking terminology, including anticipate, believe, plan, could, estimate, expe forecast, guidance, predict, project, intend, may, possible, potential or the negative of these terms or oth words, phrases or expressions, constitute forward-looking statements. In particular, statements, express or implied, concerning future actions, conditions or events, future operating results, the ability to generate sales, income or cash flow, to realize cost savings or other benefits associated with the transaction or to pay dividends or repurchase shares are forward-looking statements. These forward-looking statements are not historical facts but instead represent only New Medtronic s, Medtronic s and Covidien s expectations, estimates and projections regarding future events, based on current beliefs of management as well as assumptions made by, and information currently available to, management. These statements are not guarantees of future performance and involve certain risks and uncertainties that are difficult to predict, many of which are outside the control of New Medtronic, Medtronic and Covidien, which may include the risk factors set forth above and other market, business, legal and operational uncertainties discussed elsewhere in this joint proxy statement/prospectus and the documents which are incorporated herein by reference. Those uncertainties include, but are not limited to:

- the inherent uncertainty associated with financial projections;
- failure to satisfy one or more closing conditions with respect to the acquisition and the merger;
- the inability to complete the transaction, including restructuring in connection with the acquisition, on a timely basis or at all;
- adverse regulatory decisions;
- the risk that the required regulatory approvals for the transaction are not obtained, are delayed or are subject to conditions that are not anticipated;
- product liability claims;
- the timing and success of product launches;
- the difficulty of predicting the timing or outcome of product development efforts and regulatory agency approvals or actions, if any;

potential for adverse pricing movement;

difficulties or delays in manufacturing;

reduction or interruption in supply;

changes in tax laws or interpretations that could increase New Medtronic s, Medtronic s or Covidien s consolidated tax liabilities, including, without limitation, changes in tax laws related to the treatment of intercompany debt, or if the transaction is consummated, changes in tax laws that would affect the availability of treaty benefits, result in New Medtronic being treated as a domestic corporation for U.S. federal tax purposes, or otherwise increase New Medtronic s consolidated tax liabilities;

the risks that the new businesses will not be integrated successfully or that the estimated cost savings, synergies and benefits of the acquisition will not be realized;

access to available financing (including financing for the acquisition or refinancing of Medtronic or Covidien debt) on a timely basis and on reasonable terms;

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New Medtronic s ability to refinance the bridge loan facilities, if drawn upon, on favorable terms and to maintain Medtronic s current long-term credit rating;

the timing and amount of any dividends or share repurchases;

unanticipated changes in the markets for Medtronic s and Covidien s business segments;

the anticipated size of the markets and continued demand for Medtronic s and Covidien s products;

unanticipated downturns in business relationships with customers or their purchases from Medtronic or Covidien;

the ability to execute and realize the expected benefits from strategic initiatives including the transaction as well as revenue growth plans and cost control and productivity improvement programs;

the risks and uncertainties normally incident to the medical device industry, including industry competition and competitive pressures on Medtronic s and Covidien s sales and pricing;

reduction, interruption or increase in the cost of material, energy and other production costs, or unexpected costs that cannot be recouped in product pricing;

the availability and pricing of third party sourced products and materials;

the risks of fluctuations in foreign currency exchange rates;

the magnitude of any disruptions from manufacturing rationalizations;

the ability to develop and introduce new products;

changes in the mix of products sold;

variability of trade buying patterns;

the introduction of competing technologies;

the impact of competitive products and pricing;

unexpected technical or marketing difficulties;

unexpected claims, charges, litigation or dispute resolutions;

the difficulty of predicting the timing or outcome of pending or future litigation or government investigations;

costs and efforts to defend or enforce intellectual property rights;

product quality problems;

political developments;

changing legislation and governmental regulations;

changes in capital markets conditions (including currency exchange rate fluctuations), inflation and interest rates;

the loss of key senior management or scientific staff;

risks associated with international operations;

risks associated with self-insurance and commercial insurance;

successful compliance with governmental regulations applicable to New Medtronic s, Medtronic s and Covidien s facilities, products and/or businesses;

changes in the laws and regulations, affecting among other things, pricing and reimbursement of pharmaceutical products;

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health care policy changes;

exposure to fluctuations in energy prices; and

volatility of the end markets that Medtronic and/or Covidien serve.

The foregoing list of factors is not exhaustive. You should carefully consider the foregoing factors and the other risks and uncertainties that affect our businesses described herein and in Medtronic s and Covidien s most recent Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K and other documents filed from time to time with the SEC or incorporated herein by reference.

Actual results might differ materially from those expressed or implied by these forward-looking statements because these forward-looking statements are subject to assumptions and uncertainties. You are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date of this joint proxy statement/prospectus or the date of any document incorporated by reference. All subsequent written and oral forward-looking statements concerning the merger, the acquisition or the other matters addressed in this joint proxy statement/prospectus and attributable to New Medtronic, Medtronic or Covidien or any person acting on their behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this section. Except as required by applicable law or regulation, none of New Medtronic, Medtronic or Covidien undertakes any obligation to update publicly or revise any forward-looking statements, whether as a result of new information, future events or otherwise. In light of these risks, uncertainties and assumptions, the forward-looking events discussed in this joint proxy statement/prospectus or any document incorporated by reference might not occur.

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PART 1 THE TRANSACTION AND THE SPECIAL MEETINGS

THE SPECIAL MEETING OF MEDTRONIC S SHAREHOLDERS

Overview

This joint proxy statement/prospectus is being provided to Medtronic shareholders as part of a solicitation of proxies by the Medtronic board of directors for use at the special meeting of Medtronic shareholders and at any adjournments or postponements of such meeting. This joint proxy statement/prospectus is being furnished to Medtronic shareholders on or about November 21, 2014. In addition, this joint proxy statement/prospectus constitutes a prospectus for New Medtronic in connection with the issuance by New Medtronic of ordinary shares to be delivered to Medtronic shareholders by or at the direction of MergerSub in connection with the transaction. This joint proxy statement/prospectus provides Medtronic shareholders with information they need to be able to vote or instruct their vote to be cast at the special meeting.

Date, Time and Place of the Medtronic Special Meeting

Medtronic will hold a special meeting of shareholders on January 6, 2015 at 8:00 a.m. local time, at the Hyatt Regency, 1300 Nicollet Mall, Minneapolis, MN 55403.

Attendance

Attendance at the Medtronic special meeting is limited to Medtronic shareholders on the Medtronic record date and their proxies. Please indicate on the proxy card if you plan to attend the special meeting. If your shares are held through a bank, broker or other nominee, and you would like to attend, please write to the Office of the Corporate Secretary, 710 Medtronic Parkway, Minneapolis, Minnesota 55432, or bring to the meeting a statement or a letter from the bank, broker or other nominee confirming beneficial ownership of Medtronic shares as of the Medtronic record date. Any beneficial holder who plans to vote at the Medtronic special meeting must obtain a legal proxy from his or her bank, broker or other nominee and should contact such bank, broker or other nominee for instructions on how to obtain a legal proxy. Each Medtronic shareholder may be asked to provide a valid picture identification, such as a driver s license or passport, and proof of ownership as of the Medtronic record date. The use of cell phones, smartphones, pagers and recording and photographic equipment will not be permitted in the meeting rooms.

Proposals

At the special meeting, Medtronic shareholders will vote upon proposals to:

- adopt the plan of merger contained in the Transaction Agreement and approve the revised memorandum and articles of association of New Medtronic;

- approve the reduction of the share premium account of New Medtronic to allow the creation of distributable reserves of New Medtronic;

approve, on a non-binding, advisory basis, specified compensatory arrangements between Medtronic and its named executive officers relating to the transaction; and

adjourn the special meeting to another time or place if necessary or appropriate in order (i) to solicit additional proxies if there are insufficient votes at the time of the Medtronic special meeting to adopt the plan of merger contained in the Transaction Agreement and approve the revised memorandum and articles of association of New Medtronic, (ii) to provide to Medtronic shareholders in advance of the special meeting any supplement or amendment to the joint proxy statement/prospectus or (iii) to disseminate any other information which is material to Medtronic shareholders voting at the special meeting.

Record Date; Outstanding Shares; Shares Entitled to Vote

Only holders of Medtronic common shares at 5:00 p.m. (Eastern Time in the U.S.) on November 18, 2014, the record date for the Medtronic special meeting, will be entitled to notice of, and to vote at, the Medtronic special meeting or any adjournments thereof. On the Medtronic record date, there were 983,545,016 Medtronic

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common shares outstanding, held by 46,740 holders of record. Each outstanding Medtronic share is entitled to one vote on each proposal and any other matter properly coming before the Medtronic special meeting.

Quorum

A majority of the outstanding common shares, present in person or by proxy that entitles such shares to be voted at the Medtronic special meeting, will constitute a quorum for the transaction of business at the Medtronic special meeting. Medtronic s inspector of election intends to treat as present for these purposes shareholders who have submitted properly executed or transmitted proxies that are marked abstain. The inspector will also treat as present at the Medtronic special meeting shares held in street name by brokers that are voted on at least one proposal to come before the meeting.

Vote Required; Recommendation of Medtronic s Board of Directors

Proposal to Adopt the Plan of Merger Contained in the Transaction Agreement and Approve the Revised Memorandum and Articles of Association of New Medtronic

Medtronic shareholders are considering and voting on a proposal to adopt the plan of merger contained in the Transaction Agreement and approve the revised memorandum and articles of association of New Medtronic. You should carefully read this joint proxy statement/prospectus in its entirety for more detailed information concerning the transaction. In particular, you are directed to the Transaction Agreement, the conditions appendix and the Form of Memorandum and Articles of Association of New Medtronic, which are attached as Annex A, Annex B and Annex D, respectively to this joint proxy statement/prospectus.

The adoption of the plan of merger contained in the Transaction Agreement and the approval of the revised memorandum and articles of association of New Medtronic requires the affirmative vote of holders of a majority of the Medtronic common shares outstanding and entitled to vote on this proposal. **Because the vote required to approve this proposal is based upon the total number of outstanding Medtronic common shares, abstentions, failures to vote and broker non-votes will have the same effect as a vote against the proposal to adopt the plan of merger contained in the Transaction Agreement and approve the revised memorandum and articles of association of New Medtronic.**

The board of directors of Medtronic recommends that you vote FOR the proposal to adopt the plan of merger contained in the Transaction Agreement and approve the revised memorandum and articles of association of New Medtronic.

In considering the recommendation of the Medtronic board of directors, Medtronic shareholders should be aware that directors and executive officers of Medtronic have interests in the proposed transaction that are in addition to, or different from, any interests they might have as shareholders. See *The Transaction Interests of Certain Persons in the Transaction Medtronic*.

Proposal to Create Distributable Reserves of New Medtronic

Medtronic shareholders are considering and voting on a proposal to reduce the share premium account of New Medtronic resulting from (i) the issuance of New Medtronic shares pursuant to the scheme and (ii) a subscription for New Medtronic shares by MergerSub prior to the merger, in order to create distributable reserves of New Medtronic. You should read carefully this joint proxy statement/prospectus in its entirety for more detailed information concerning the creation of distributable reserves. See *Creation of Distributable Reserves of New Medtronic*.

Approval of the proposal to reduce the share premium account of New Medtronic to allow the creation of distributable reserves requires the affirmative vote of holders of a majority of the Medtronic common shares represented, in person or by proxy that authorizes such shares to be voted on this proposal, at the special meeting. Because the vote required to approve this proposal is based upon the total number of Medtronic common shares represented, in person or by proxy that entitles such shares to be voted on this proposal, abstentions and failures by persons in attendance at the special meeting to vote shares that are represented, in person or by proxy that

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authorizes such shares to be voted on this proposal, at the special meeting will have the same effect as a vote against this proposal. Broker non-votes will have no effect on this proposal. Approval of this proposal is not a condition to the completion of the transaction and whether or not this proposal is approved will have no impact on the completion of the transaction.

The board of directors of Medtronic recommends that you vote FOR the proposal to reduce the share premium account of New Medtronic to allow the creation of distributable reserves.

Proposal to Approve, on a Non-Binding, Advisory Basis, Specified Compensatory Arrangements Between Medtronic and its Named Executive Officers Relating to the Transaction

Medtronic shareholders are considering and voting on a proposal to approve, on a non-binding, advisory basis, specified compensatory arrangements between Medtronic and its named executive officers relating to the transaction. See *The Transaction Interests of Certain Persons in the Transaction Medtronic*.

Approval, on a non-binding, advisory basis, specified compensatory arrangements between Medtronic and its named executive officers relating to the transaction requires the affirmative vote of holders of a majority of the Medtronic common shares represented, in person or by proxy that authorizes such shares to be voted on such proposal, at the special meeting. Because the vote required to approve this proposal is based upon the total number of Medtronic common shares represented, in person or by proxy that authorizes such shares to be voted on such proposal, abstentions and failures by persons in attendance at the special Meeting to vote shares that are represented, in person or by proxy that authorizes such shares to be voted on this proposal, at the special meeting will have the same effect as a vote against this proposal. Broker non-votes will have no effect on this proposal. Approval of this proposal is not a condition to the completion of the transaction and whether or not this proposal is approved will have no impact on the completion of the transaction.

The board of directors of Medtronic recommends that you vote FOR the proposal to approve, on a non-binding, advisory basis, specified compensatory arrangements between Medtronic and its named executive officers relating to the transaction.

Proposal to Adjourn the Special Meeting

Medtronic shareholders may be asked to vote on a proposal to adjourn the special meeting to another time or place if necessary or appropriate in order (i) to solicit additional proxies if there are insufficient votes at the time of the Medtronic special meeting to adopt the plan of merger contained in the Transaction Agreement and approve the revised memorandum and articles of association of New Medtronic, (ii) to provide to Medtronic shareholders in advance of the special meeting any supplement or amendment to the joint proxy statement/prospectus or (iii) to disseminate any other information which is material to Medtronic shareholders voting at the special meeting.

Approval of the Medtronic adjournment proposal requires the affirmative vote of holders of a majority of the Medtronic common shares represented, in person or by proxy that authorizes such shares to be voted on such proposal, at the special meeting, whether or not a quorum is present. Because the vote required to approve this proposal is based upon the total number of Medtronic voting shares represented, in person or by proxy that authorizes such shares to be voted on such proposal, abstentions and failures by persons in attendance at the special meeting to vote shares that are represented, in person or by proxy that authorizes such shares to be voted on this proposal, at the special meeting will have the same effect as a vote against this proposal. Broker non-votes will have no effect on this proposal. Approval of this proposal is not a condition to the completion of the transaction and whether or not this proposal is approved will have no impact on the completion of the transaction.

The board of directors of Medtronic recommends that you vote FOR the Medtronic adjournment proposal.

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Share Ownership and Voting by Medtronic s Officers and Directors

As of the Medtronic record date, the Medtronic directors and executive officers had the right to vote approximately 424,493 Medtronic common shares, representing approximately 0.04% of the Medtronic common shares then outstanding and entitled to vote at the meeting. It is expected that the Medtronic directors and executive officers who are shareholders of Medtronic will vote FOR the proposal to adopt the plan of merger contained in the Transaction Agreement and approve the revised memorandum and articles of association of New Medtronic, FOR the proposal to create distributable reserves of New Medtronic, FOR the approval, on a non-binding, advisory basis, of specified compensatory arrangements between Medtronic and its named executive officers relating to the transaction and FOR the Medtronic adjournment proposal, although none of them has entered into any agreement requiring them to do so.

Voting Your Shares

Medtronic shareholders may vote in person at the special meeting or by proxy. Medtronic recommends that you submit your proxy even if you plan to attend the special meeting. If you vote by proxy, you may change your vote, among other ways, if you attend and vote at the special meeting.

If you own shares in your own name, you are considered, with respect to those shares, the shareholder of record. If your shares are held in a stock brokerage account or by a bank or other nominee, you are considered the beneficial owner of shares held in street name. You may vote shares held in street name only if you obtain a legal proxy from the record holder (broker or other nominee) giving you the right to vote the shares or if you instruct your broker, bank or other nominee how to vote as described below under *Voting Shares Held in Street Name*.

If you are a Medtronic shareholder of record, you may use the enclosed proxy card to tell the persons named as proxies how to vote your shares. If you properly complete, sign and date your proxy card, your shares will be voted in accordance with your instructions. The named proxies will vote all shares at the meeting for which proxies have been properly submitted and not revoked. If you sign and return your proxy card but do not mark your card to tell the proxies how to vote, your shares will be voted FOR the proposals to adopt the plan of merger contained in the Transaction Agreement and approve the revised memorandum and articles of association of New Medtronic, to create distributable reserves of New Medtronic, to approve the advisory proposal and to adjourn the special meeting.

Medtronic shareholders may also vote over the internet at www.proxyvote.com or by telephone at 1-800-690-6903 by 11:59 p.m. (Eastern Time in the U.S.) on January 5, 2015 (or, for shares held through Medtronic, Inc. SIP or the Medtronic Puerto Rico Employees SIP, by 11:59 p.m. (Eastern Time in the U.S.) on December 31, 2014). Voting instructions are printed on the proxy card or voting information form you received. Either method of submitting a proxy will enable your shares to be represented and voted at the special meeting.

Medtronic shareholders should not send in their stock certificates with their proxy cards. As described on page 11 of this joint proxy statement/prospectus, Medtronic shareholders will be sent materials for exchanging Medtronic common shares shortly after the completion of the transaction.

Voting Shares Held in Street Name

If your shares are held in an account through a broker, bank or other nominee, you must instruct the broker, bank or other nominee how to vote your shares by following the instructions that the broker, bank or other nominee provides you along with this joint proxy statement/prospectus. Your broker, bank or other nominee may have an earlier deadline by which you must provide instructions to it as to how to vote your shares, so you should read carefully the materials provided to you by your broker, bank or other nominee.

If you do not provide a signed voting instruction form to your bank, broker or other nominee, your shares will not be voted on any proposal on which the bank, broker or other nominee does not have discretionary authority to vote. This is referred to in this joint proxy statement/prospectus and in general as a broker non-vote.

In these cases, the bank, broker or other nominee will not be able to vote your shares on those matters for which

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specific authorization is required. Brokers do not have discretionary authority to vote on any of the proposals. Shares constituting broker non-votes on a proposal are not counted or deemed to be present in person or by proxy for the purpose of voting on such proposal.

Accordingly, if you fail to provide a signed voting instruction form to your bank, broker or other nominee, your shares held through such bank, broker or other nominee will not be voted.

Revoking Your Proxy

If you are a Medtronic shareholder of record, you may revoke your proxy at any time before it is voted at the special meeting by:

- delivering a written revocation letter to the Corporate Secretary of Medtronic;
- submitting your voting instructions again by telephone or over the internet;
- signing and returning by mail a proxy with a later date so that it is received prior to the special meeting; or
- voting in person at the special meeting and filing a written notice of termination of the prior appointment of a proxy with Medtronic, or by filing a new written appointment of proxy with Medtronic.

Attendance at the special meeting will not, in and of itself, revoke a proxy.

If your shares are held in street name by a bank, broker or other nominee, you should follow the instructions of your bank, broker or other nominee regarding the revocation of proxies.

Costs of Solicitation

Medtronic will bear the cost of soliciting proxies from its shareholders, except that, pursuant to the Transaction Agreement, the costs associated with the filing, printing, publication and posting of this joint proxy statement/prospectus to Covidien s shareholders and Medtronic s shareholders will be paid 70% by Medtronic and 30% by Covidien.

Medtronic will solicit proxies by mail. In addition, the directors, officers and employees of Medtronic may solicit proxies from its shareholders by telephone, electronic communication, or in person, but will not receive any additional compensation for their services. Medtronic will make arrangements with brokerage houses and other custodians, nominees, and fiduciaries for forwarding proxy solicitation material to the beneficial owners of Medtronic common shares held of record by those persons and will reimburse them for their reasonable out-of-pocket expenses incurred in forwarding such proxy solicitation materials.

Medtronic has engaged a professional proxy solicitation firm, Georgeson Inc., to assist in soliciting proxies for a fee of approximately $19,000. In addition, Medtronic will reimburse Georgeson Inc. for its reasonable disbursements.

Other Business

Medtronic is not aware of any other business to be acted upon at the special meeting. If, however, other matters are properly brought before the special meeting, including an adjournment of the meeting for any reason other than the ones specified in the adjournment proposal, the proxies will have discretion to vote or act on those matters according to their best judgment and they intend to vote the shares as the Medtronic board of directors may recommend.

Assistance

If you need assistance in completing your proxy card or have questions regarding Medtronic s special meeting, please contact Georgeson Inc., the proxy solicitation agent for Medtronic, by mail at 480 Washington Blvd., 26th Floor, Jersey City, New Jersey 07310, by telephone at (866) 257-5415 (toll free) or (781) 575-2137 (International) or by e-mail at Medtronic@Georgeson.com.

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THE SPECIAL MEETINGS OF COVIDIEN S SHAREHOLDERS

Overview

This joint proxy statement/prospectus is being provided to Covidien shareholders as part of a solicitation of proxies by the Covidien board of directors for use at the special meetings referred to below of Covidien shareholders and at any adjournments or postponements of such meetings. This joint proxy statement/prospectus is being furnished to Covidien shareholders on or about November 21, 2014. In addition, this joint proxy statement/prospectus constitutes a prospectus for New Medtronic in connection with the issuance by New Medtronic of ordinary shares to be delivered to Covidien shareholders in connection with the transaction. This joint proxy statement/prospectus provides Covidien shareholders with information they need to be able to vote or instruct their vote to be cast at the special meetings.

Date, Time and Place of the Covidien Special Meetings

Covidien will convene a special Court-ordered meeting of shareholders on January 6, 2015, at 10:00 a.m. local time, at the Conrad Dublin Hotel, Earlsfort Terrace, Dublin 2, Ireland. Covidien will also convene an extraordinary general meeting of shareholders on January 6, 2015, at 10:15 a.m. local time, at the Conrad Dublin Hotel, Earlsfort Terrace, Dublin 2, Ireland, or, if later, as soon as possible after the conclusion or adjournment of the Covidien special Court-ordered meeting.

Attendance

Attendance at the Covidien special Court-ordered meeting and the Covidien EGM is limited to Covidien shareholders on the Covidien record date and their proxies. Please indicate on the relevant proxy card if you plan to attend the special meetings. If your shares are held through a bank, broker or other nominee, and you would like to attend, please write to John W. Kapples, Vice President and Secretary, Covidien plc, c/o Covidien, 15 Hampshire Street, Mansfield, Massachusetts 02048, or bring to the meeting a statement or a letter from the bank, broker or other nominee confirming beneficial ownership of Covidien shares as of the Covidien record date for the meetings. Any beneficial holder who plans to vote at either meeting must obtain a legal proxy from his or her bank, broker or other nominee and should contact such bank, broker or other nominee for instructions on how to obtain a legal proxy. Each Covidien shareholder may be asked to provide a valid picture identification, such as a driver s license or passport, and proof of ownership as of the Covidien record date. The use of cell phones, smartphones, pagers and recording and photographic equipment will not be permitted in the meeting rooms.

Proposals

Covidien Special Court-Ordered Meeting: Covidien shareholders are being asked to consider and vote on a proposal at the special Court-ordered meeting to approve the scheme of arrangement.

Covidien Extraordinary General Meeting: Covidien shareholders are also being asked to consider and vote on a proposal at the Covidien EGM to approve the scheme of arrangement, in addition to certain other proposals as set forth in the EGM resolutions described below.

The first three EGM resolutions relate to the approval of the scheme of arrangement and of actions required to be taken in connection with the scheme specifically, both the cancellation of the shares of Covidien (subject to certain exceptions described in the scheme of arrangement, a copy of which is included in Part 4 Additional Information of this joint proxy statement/prospectus) and the subsequent allotment and issuance of new shares of Covidien to New Medtronic, IrSub and/or their nominee(s) in exchange for the scheme consideration. The fourth EGM resolution also

relates to the scheme of arrangement and would ensure that the holders of any new ordinary shares of Covidien issued at or after 10:00 p.m., Irish time, on the last business day before the scheme becomes effective are acquired by New Medtronic, IrSub and/or their nominee(s) for the scheme consideration. The merger and the acquisition are conditioned on approval of EGM resolutions 1 through 4.

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1. EGM Resolution #1: To approve the scheme of arrangement and authorize the directors of Covidien to take all such actions as they consider necessary or appropriate for carrying the scheme of arrangement into effect.

2. EGM Resolution #2: To approve the cancellation of any Covidien ordinary shares in issue prior to 10:00 p.m., Irish time, on the day before the Irish High Court hearing to sanction the scheme (subject to certain exceptions described in the scheme of arrangement, a copy of which is included in Part 4 Additional Information of this joint proxy statement/prospectus).

3. EGM Resolution #3: To authorize the directors of Covidien to allot and issue new Covidien shares, fully paid up, to New Medtronic, IrSub and/or their nominee(s) in connection with effecting the scheme.

4. EGM Resolution #4: To amend the articles of association of Covidien so that any ordinary shares of Covidien that are issued at or after 10:00 p.m., Irish time, on the last business day before the scheme becomes effective are acquired by New Medtronic, IrSub and/or their nominee(s) for the scheme consideration.

The merger and the acquisition are **not** conditioned on approval of the remaining EGM resolutions. The fifth EGM resolution relates to the creation of distributable reserves of New Medtronic, which are required under Irish law in order for New Medtronic to be able to pay dividends and repurchase or redeem shares after the transaction.

5. EGM Resolution #5: To approve the reduction of the share premium account of New Medtronic resulting from (i) the issuance of New Medtronic shares pursuant to the scheme and (ii) a subscription for New Medtronic shares by MergerSub prior to the merger, in order to create distributable reserves of New Medtronic.

Covidien shareholders are also being asked to vote on the following proposal at the EGM:

6. EGM Resolution #6: To approve, on a non-binding, advisory basis, specified compensatory arrangements between Covidien and its named executive officers relating to the transaction.

Record Date; Outstanding Ordinary Shares; Ordinary Shares Entitled to Vote

Only holders of Covidien ordinary shares as of 5:00 p.m. (Eastern Time in the U.S.) on November 18, 2014, the record date for the Covidien special meetings, will be entitled to notice of, and to vote at the Covidien special meetings or any adjournments thereof. On the Covidien record date, there were 452,731,347 Covidien ordinary shares outstanding, held by 3,258 holders of record. Each outstanding Covidien ordinary share (other than those held by Medtronic or any of its affiliates) is entitled to one vote on each proposal and any other matter properly coming before the Covidien special meetings.

Quorum

The holders of Covidien ordinary shares outstanding, present in person or by proxy, entitling them to exercise a majority of the voting power of Covidien on the Covidien record date will constitute a quorum for each of the special meetings. Covidien s inspector of election intends to treat as present for these purposes shareholders who have

submitted properly executed or transmitted proxies that are marked abstain. The inspector will also treat as present shares held in street name by brokers that are voted on at least one proposal to come before the meeting.

Ordinary Share Ownership and Voting by Covidien s Directors and Officers

As of the Covidien record date, the Covidien directors and executive officers had the right to vote approximately 855,265 of the then-outstanding Covidien ordinary shares at the special meetings, representing

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approximately 0.19% of the Covidien ordinary shares then outstanding and entitled to vote at the special Court-ordered meeting and approximately 0.19% of the Covidien ordinary shares then outstanding and entitled to vote at the EGM. The Covidien directors and executive officers who are shareholders of Covidien intend to vote FOR the scheme of arrangement at the special Court-ordered meeting, FOR the scheme of arrangement at the EGM, FOR the cancellation of any Covidien ordinary shares in issue before 10:00 p.m., Irish time, on the day before the Irish High Court hearing to sanction the scheme, FOR the authorization of the directors of Covidien to allot and issue new Covidien shares, fully paid up, to New Medtronic, IrSub and/or their nominee(s) in connection with effecting the scheme, FOR amendment of the articles of association of Covidien so that any ordinary shares of Covidien that are issued at or after 10:00 p.m., Irish time, on the last business day before the scheme becomes effective are acquired by New Medtronic, IrSub and/or their nominee(s) for the scheme consideration, FOR the proposal to reduce the share premium account of New Medtronic resulting from (i) the issuance of New Medtronic shares pursuant to the scheme and (ii) a subscription for New Medtronic shares by MergerSub prior to the merger, in order to create distributable reserves of New Medtronic, and FOR the approval, on a non-binding advisory basis, of specified compensatory arrangements between Covidien and its named executive officers, although none of them has entered into any agreement requiring them to do so.

Vote Required; Recommendation of Covidien s Board of Directors

Covidien Special Court-Ordered Meeting

Proposal to approve the scheme of arrangement: Covidien shareholders are being asked to vote on a proposal to approve the scheme at both the Covidien special Court-ordered meeting and at the Covidien EGM. The vote required for such proposal is different at each of the meetings, however. As set out in full under the section entitled *Part 2 Explanatory Statement Consents and Meetings*, the approval required at the special Court-ordered meeting is a majority in number of the Covidien shareholders of record casting votes on the proposal representing three-fourths (75 percent) or more in value of the Covidien ordinary shares held by such holders, present and voting either in person or by proxy.

Because the vote required to approve the proposal at the Covidien special Court-ordered meeting is based on votes properly cast at the meeting, and because abstentions and broker non-votes are not considered votes properly cast, abstentions and broker non-votes, along with failures to vote, will have no effect on such proposal.

The merger and the acquisition are conditioned on approval of the scheme at the Covidien special Court-ordered meeting.

The Covidien board of directors recommends that Covidien shareholders vote FOR the proposal to approve the scheme of arrangement at the special Court-ordered meeting.

In considering the recommendation of the Covidien board of directors, Covidien shareholders should be aware that directors and executive officers of Covidien have interests in the proposed transaction that are in addition to, or different from, any interests they might have as shareholders. See *The Transaction Interests of Certain Persons in the Transaction Covidien.*

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Covidien Extraordinary General Meeting

Set forth below is a table summarizing certain information with respect to the EGM Resolutions:

EGM Resolution #	Resolution	Ordinary or Special Resolution?	Transaction Conditioned on Approval of Resolution?
1	Approve the scheme of arrangement and authorize the directors of Covidien to take all such actions as they consider necessary or appropriate for carrying the scheme of arrangement into effect.	Ordinary	Yes
2	Approve the cancellation of any Covidien ordinary shares in issue before 10:00 p.m., Irish time, on the day before the Irish High Court hearing to sanction the scheme.	Special	Yes
3	Authorize the directors of Covidien to allot and issue new Covidien shares, fully paid up, to New Medtronic, IrSub and/or their nominee(s) in connection with effecting the scheme.	Ordinary	Yes
4	Amend the articles of association of Covidien so that any ordinary shares of Covidien that are issued at or after 10:00 p.m., Irish time, on the last business day before the scheme becomes effective are acquired by New Medtronic, IrSub and/or their nominee(s) for the scheme consideration.	Special	Yes
5	Approve the reduction of the share premium account of New Medtronic resulting from (i) the issuance of New Medtronic shares pursuant to the scheme and (ii) a subscription for New Medtronic shares by MergerSub prior to the merger, in order to create distributable reserves of New Medtronic.	Ordinary	No
6	Approve, on a non-binding, advisory basis, specified compensatory arrangements between Covidien and its named executive officers relating to the transaction.	Ordinary	No

At the Covidien EGM, the requisite approval of each of the EGM resolutions depends on whether it is an ordinary resolution (EGM resolutions 1, 3, 5 and 6), which requires the approval of the holders of at least a majority of the votes cast by the holders of Covidien ordinary shares present and voting, either in person or by proxy, or a special resolution (EGM resolutions 2 and 4), which requires the approval of the holders of at least 75 percent of the votes cast by the holders of Covidien ordinary shares present and voting, either in person or by proxy.

For all the EGM resolutions, because the votes required to approve such resolutions are based on votes properly cast at the meeting, and because abstentions and broker non-votes are not considered votes properly cast, abstentions and broker non-votes, along with failures to vote, will have no effect on the EGM resolutions.

The Covidien board of directors recommends that Covidien shareholders vote FOR the proposals to approve

each of the EGM resolutions.

In considering the recommendations of the Covidien board of directors, Covidien shareholders should be aware that directors and executive officers of Covidien have interests in the proposed transaction that are in addition to, or different from, any interests they might have as shareholders. See *The Transaction Interests of Certain Persons in the Transaction Covidien.*

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Voting Your Ordinary Shares

Covidien shareholders may vote by proxy or in person at the special meetings. Covidien recommends that you submit your proxy even if you plan to attend the special meetings. If you vote by proxy, you may change your vote, among other ways, if you attend and vote at the special meetings.

If you own shares in your own name, you are considered, with respect to those shares, the shareholder of record. If your shares are held in a stock brokerage account or by a bank or other nominee, you are considered the beneficial owner of shares held in street name.

If you are a Covidien shareholder of record you may use the enclosed proxy cards to tell the persons named as proxies how to vote your shares. If you are a Covidien shareholder of record, the shares listed on your proxy cards will include the following shares, if applicable:

- shares issued under the Covidien Savings Related Share Plan; and
- shares held in a book-entry account at Computershare Trust Company, N.A., Covidien s transfer agent.

If you properly complete, sign and date a proxy card, your shares will be voted in accordance with your instructions. The named proxies will vote all shares at the meetings for which proxies have been properly submitted and not revoked. If you sign and return a proxy card appointing the Chairman as your proxy but do not mark your card to tell the proxy how to vote on a voting item, your shares will be voted with respect to such item in accordance with the recommendations of the Covidien board of directors.

Covidien shareholders may also vote over the internet at www.proxyvote.com or by telephone at +1-800-690-6903 anytime up to 11:59 p.m. (Eastern Time in the U.S.) on the day immediately preceding the relevant meeting. Voting instructions are printed on the proxy cards or voting information form you received. Either method of submitting a proxy will enable your shares to be represented and voted at the special meetings.

Voting Ordinary Shares Held in Street Name

If your shares are held in an account through a bank, broker or other nominee, you must instruct the bank, broker or other nominee how to vote your shares by following the instructions that the bank, broker or other nominee provides you along with this joint proxy statement/prospectus. Your bank, broker or other nominee, as applicable, may have an earlier deadline by which you must provide instructions to it as to how to vote your shares, so you should read carefully the materials provided to you by your bank, broker or other nominee.

If you do not provide a signed voting instruction form to your bank, broker or other nominee, your shares will not be voted on any proposal on which the bank, broker or other nominee does not have discretionary authority to vote. This is referred to in this joint proxy statement/prospectus and in general as a broker non-vote. In these cases, the bank, broker or other nominee will not be able to vote your shares on those matters for which specific authorization is required. Brokers do not have discretionary authority to vote on any of the proposals.

Accordingly, if you fail to provide a signed voting instruction form to your bank, broker or other nominee, your shares held through such bank, broker or other nominee will not be voted.

Revoking Your Proxy

If you are a Covidien shareholder of record, you may revoke your proxy at any time before it is voted at the relevant special meeting by:

delivering a written revocation letter to the Secretary of Covidien;

submitting your voting instructions again by telephone or over the internet;

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signing and returning by mail a proxy with a later date so that it is received prior to the special meeting; or

attending the special meeting and voting by ballot in person.

Attendance at either special meeting will not, in and of itself, revoke a proxy.

If your shares are held in street name by a bank, broker or other nominee, you should follow the instructions of your bank, broker or other nominee regarding the revocation of proxies.

Costs of Solicitation

Covidien will bear the cost of soliciting proxies from its shareholders, except that, pursuant to the Transaction Agreement, the costs associated with the filing, printing, publication and posting of this joint proxy statement/prospectus to Covidien s shareholders and Medtronic s shareholders will be paid 70% by Medtronic and 30% by Covidien.

Covidien will solicit proxies by mail. In addition, the directors, officers and employees of Covidien may solicit proxies from its shareholders by telephone, electronic communication, or in person, but will not receive any additional compensation for their services. Covidien will make arrangements with brokerage houses and other custodians, nominees and fiduciaries for forwarding proxy solicitation material to the beneficial owners of Covidien ordinary shares held of record by those persons and will reimburse them for their reasonable out-of-pocket expenses incurred in forwarding such proxy solicitation materials.

Covidien has engaged a professional proxy solicitation firm, D.F. King & Co., Inc., to assist in soliciting proxies for a fee of approximately $20,000. In addition, Covidien will reimburse D.F. King & Co., Inc. for its reasonable disbursements.

Other Business

Covidien is not aware of any other business to be acted upon at the special meetings. If, however, other matters are properly brought before the special meetings, the proxies will have discretion to vote or act on those matters according to their best judgment and they intend to vote the shares as the Covidien board of directors may recommend.

Adjournment; Postponement

Any adjournment or postponement of the special Court-ordered meeting will result in an adjournment or postponement, as applicable, of the EGM.

Under the Covidien articles of association, the Chairman of the Covidien EGM may at any time adjourn the EGM or the special Court-ordered meeting if, in his opinion, it would facilitate the conduct of the business of the EGM or the special Court-ordered meeting, as applicable, to do so or if he is so directed by the Covidien board of directors. Pursuant to this authority, subject to certain limitations contained in the Transaction Agreement, the EGM or the special Court-ordered meeting may be adjourned to, among other things, solicit proxies if there are not sufficient votes at the time of the EGM or the special Court-ordered meeting, as applicable, in favor of the above-described proposals and resolutions, as applicable.

Assistance

If you need assistance in completing your proxy card or have questions regarding Covidien s special meetings, please contact D.F. King & Co., Inc., the proxy solicitation agent for Covidien, by mail at 48 Wall Street, 22nd Floor, New York, New York 10005, by telephone at (800) 488-8035 (toll free in the U.S. and Canada) or (212) 269-5550 (collect), or by e-mail at covidien@dfking.com.

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THE TRANSACTION

The Merger and the Acquisition

On June 15, 2014, Medtronic and Covidien entered into the Transaction Agreement by and among Covidien, Medtronic, New Medtronic, IrSub, U.S. AcquisitionCo, and MergerSub. Under the terms of the Transaction Agreement, (i) New Medtronic and IrSub will acquire Covidien pursuant to a scheme of arrangement under Section 201, involving a cancellation of the issued share capital of Covidien under Sections 72 and 74, of the Irish Companies Act 1963 and (ii) MergerSub will merge with and into Medtronic, with Medtronic as the surviving corporation in the merger. As a result of the transaction, both Medtronic and Covidien will become wholly owned subsidiaries of New Medtronic. Prior to the closing of the transaction, New Medtronic will re-register as a public limited company, the ordinary shares of which are expected to be listed on the NYSE.

As a result of the transaction, (i) each outstanding Medtronic common share will entitle its holder to receive one New Medtronic ordinary share in exchange for such Medtronic common share and (ii) each outstanding Covidien ordinary share (other than certain Covidien ordinary shares to be held by nominees on behalf of New Medtronic and/or IrSub in connection with the transaction) will entitle its holder to receive (x) $35.19 in cash and (y) 0.956 of a New Medtronic ordinary share in exchange for such Covidien ordinary share.

Medtronic reserves the right, subject to the prior written approval of the Irish Takeover Panel, to effect the acquisition by way of a takeover offer, as an alternative to the scheme, in the event that a third party makes an alternative proposal to acquire Covidien or Medtronic considers that such a proposal is reasonably expected to be made (or another competitive situation (as defined in the Irish Takeover Rules) exists or may reasonably be expected to arise), subject to the terms of the Transaction Agreement. In such event, such takeover offer will be implemented on terms and conditions that are at least as favorable to Covidien shareholders (except for an acceptance condition set at 80 percent of the nominal value of the Covidien shares to which such offer relates and which are not already beneficially owned by Medtronic) as those which would apply in relation to the scheme, among other requirements.

Background of the Transaction

The Covidien board of directors has, on an ongoing basis, considered the long-term strategy of Covidien and strategic opportunities that might be available to Covidien to enhance shareholder value, including additional investments in new growth opportunities, potential acquisitions and the possible sale or merger of Covidien. Following consideration by the Covidien board of directors of various potential strategic opportunities, on March 20, 2014, the Covidien board of directors authorized Covidien management to approach Medtronic to discuss a potential combination of the two companies. The Covidien board of directors made this decision based on its determination that Medtronic likely would have the best strategic fit with Covidien, was most likely to have an interest in and ability to execute, and would be willing to pay the highest price in, a business combination with Covidien, should the Covidien board ultimately decide to engage in such a transaction.

As a part of the ongoing review of Medtronic s long-term strategy, the Medtronic board of directors has, from time to time, considered strategic opportunities that might be available to it to enhance shareholder value, including additional investments in new growth opportunities and potential acquisitions, taking into account global healthcare, industry and transaction trends as well as economic and other conditions generally. In this context, Medtronic management identified that expanding Medtronic s product offerings to include a broader product portfolio would be a way to better position Medtronic to execute on its globalization and economic value strategies.

As a result of the prior strategic review of Covidien s business and the determination that a combination with Medtronic presented a compelling opportunity, and pursuant to the authorization of the Covidien board of directors, on March 25, 2014, Mr. José E. Almeida, President and Chief Executive Officer of Covidien, called Mr. Omar Ishrak, Chief Executive Officer of Medtronic, to arrange an in-person meeting that was held on April 2, 2014. During this meeting, Messrs. Almeida and Ishrak discussed a variety of opportunities and

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challenges facing their respective businesses in the new healthcare environment and Mr. Almeida suggested to Mr. Ishrak that Medtronic consider a potential combination of Covidien and Medtronic. Mr. Almeida described to Mr. Ishrak various aspects of Covidien s business and his views on the healthcare industry as well as the strategic rationale for such a combination. Mr. Almeida discussed, among other things, the trend of consolidation in the healthcare industry and the consequent importance of scale to the future of both companies; his expectation that the combined company would benefit from global reach and its ability to leverage its international infrastructure, particularly in emerging markets; the complementary portfolios of Medtronic and Covidien; and the alignment of the long-term strategic goals of both companies. The meeting concluded with Mr. Ishrak telling Mr. Almeida that he would discuss the possibility of a potential transaction with Medtronic s lead independent director and the Medtronic management team.

On April 3, 2014, Mr. Ishrak called Mr. Almeida to schedule a meeting between several members of the Medtronic and Covidien management teams to further discuss the potential benefits of a combination of the two companies. Also that day, Mr. Ishrak called and discussed the meeting with Richard Anderson, Medtronic s lead independent director. On April 11, 2014, Mr. Ishrak, Mr. Almeida and members of their respective management teams met in person and discussed, on a confidential basis, Covidien s product portfolio, business strategy and long-term outlook and Covidien s view of potential operational synergies that a combination of the two companies could create. Medtronic s management team explained to Covidien s management team that, before engaging in further discussions, they needed to discuss these matters with the Medtronic board of directors, and determine whether a combination of the two companies could be expected to be in the best interests of Medtronic and its shareholders.

During an executive session of a regularly scheduled meeting of the Medtronic board of directors on April 17, 2014, Mr. Ishrak described for the Medtronic board the conversations to date with Covidien. Members of the Medtronic board of directors asked questions and discussed Mr. Ishrak s report and the conversations with Covidien. Following this discussion, the Medtronic board of directors authorized Medtronic management to explore a possible transaction with Covidien and designated four independent members of the Medtronic board as an ad hoc working group available to provide Medtronic management with prompt guidance and advice, from time to time, in connection with a potential transaction with Covidien. Following the meeting of the Medtronic board of directors, members of Medtronic management, including Mr. Ishrak, met with the directors in the ad hoc working group for further discussion. Between April 17 and June 13, 2014, the directors ad hoc working group met telephonically from time to time with Mr. Ishrak and other members of Medtronic s management team to discuss the status of the potential transaction and the Medtronic management team s discussions with the Covidien management team. During these meetings, the ad hoc working group provided management with guidance and advice regarding the potential transaction with Covidien.

On April 18, 2014, Mr. Ishrak and Mr. Almeida spoke by telephone and discussed next steps in exploring a possible combination of the two companies. Mr. Ishrak informed Mr. Almeida that the Medtronic board of directors authorized Mr. Ishrak to continue discussions with Covidien regarding a possible transaction. Mr. Ishrak also indicated that the initial phase of discussions should focus on confirming that there was a sound strategic and operational rationale for a combination of the two companies, with which Mr. Almeida agreed. Mr. Ishrak and Mr. Almeida acknowledged that only if the boards of directors of each of Medtronic and Covidien concluded that there was a compelling strategic rationale would the respective boards authorize Medtronic and Covidien management to pursue discussions related to other considerations, such as valuation, diligence and transaction structure.

On April 23, 2014, Covidien and Medtronic entered into a mutual confidentiality agreement, which included a reciprocal 15-month standstill provision. Following the execution of the confidentiality agreement and through the execution of the Transaction Agreement on June 15, 2014, representatives of Covidien and Medtronic (including advisors) conducted due diligence on Medtronic and Covidien, respectively.

On April 24, 2014, representatives of Goldman Sachs contacted Perella Weinberg to discuss various matters relating to the potential transaction, including due diligence and overall transaction timing. During the course of

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this conversation, Goldman Sachs advised Perella Weinberg that Covidien did not view a potential transaction between the parties as a merger-of-equals and instead would view any transaction as an acquisition of Covidien by Medtronic.

On May 2, 2014, members of the Covidien and Medtronic management teams met in person to discuss Covidien s business and prospects. During this meeting, members of Covidien management presented to Medtronic s management team information concerning Covidien s internal management structure, portfolio, business strategy, product pipeline, various financial metrics and financial outlook and Covidien s perspective as to the strategic rationale for Medtronic s potential acquisition of Covidien, including potential synergies.

On May 4, 2014, Mr. Ishrak called Mr. Almeida to set up an in-person meeting. During this call, Mr. Ishrak expressed Medtronic s interest in continuing discussions with respect to a potential transaction and his favorable view of the opportunities such a combination would create based on the management presentations conducted on May 2, 2014. Mr. Ishrak and Mr. Almeida discussed the process for conducting due diligence on their respective companies and the information that would need to be provided and discussions that would need to be held in order for Medtronic to be in a position to provide Covidien with a preliminary, non-binding proposal at the end of May 2014 if it decided to proceed. At the conclusion of this conversation, Mr. Ishrak and Mr. Almeida agreed to meet in person on May 10, 2014 to further discuss next steps.

On May 10, 2014, Mr. Ishrak and Mr. Almeida met in person and discussed the types of potential synergies a combination of the two companies might generate, the business strategy of the combined company and the structure and timing of a possible transaction. During this meeting, Mr. Ishrak indicated that Medtronic was still analyzing whether to proceed with a potential transaction and, if it decided to proceed, then Medtronic expected to be in a position to provide Covidien with a preliminary, non-binding proposal, at the end of May 2014.

Between May 10 and June 6, 2014, representatives of Covidien s and Medtronic s management teams and their respective legal and financial advisors held several discussions regarding due diligence and transaction structuring matters including due diligence with respect to each company s ongoing litigation and intellectual property matters and how the transaction should be structured in order to maximize the benefits to each of the companies and their respective shareholders. As part of these due diligence discussions, on May 15, 2014, representatives of Covidien s and Medtronic s management teams held a teleconference to discuss Covidien s ongoing litigation and other contingent liabilities, and on June 6, 2014, representatives of Covidien s and Medtronic s management teams held a teleconference to discuss Medtronic s ongoing litigation and other contingent liabilities. Also as part of these structuring discussions, on May 21, 2014, representatives of Covidien s and Medtronic s management teams, as well as representatives of Wachtell, Lipton, Rosen & Katz (Wachtell Lipton), Covidien s legal counsel in connection with the transaction, and representatives of Cleary Gottlieb Steen & Hamilton LLP (Cleary Gottlieb), Medtronic s legal counsel in connection with the transaction, held a teleconference in response to the request of Medtronic management for further information regarding Covidien s organizational structure. The parties discussed potential structures for an acquisition of Covidien by Medtronic and the implications of different structural approaches.

On May 16, 2014, the Medtronic board of directors held an in person meeting in Minneapolis, Minnesota, attended by members of Medtronic management, as well as representatives of Cleary Gottlieb and Perella Weinberg. At this meeting, Medtronic management provided to the Medtronic board of directors an overview of Covidien, including its organizational and operating structure, product portfolio, historical financial performance and growth prospects, and reviewed the strategic and financial rationale for a potential transaction with Covidien, including a preliminary assessment of potential synergies and a discussion of potential benefits of the potential transaction to patients. Medtronic management, together with representatives of Cleary Gottlieb and Perella Weinberg, then provided an overview of potential transaction structures and discussed various risks associated with a transaction with Covidien.

Members of the Medtronic board of directors asked questions and discussed the various presentations and related matters throughout the meeting and Medtronic management and representatives of Perella Weinberg and Cleary Gottlieb responded to comments and questions from the directors.

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On May 21 and May 22, 2014, the Covidien board of directors held a regularly scheduled meeting in Dublin, Ireland, attended, for certain parts of the meeting, by members of Covidien management and representatives of Wachtell Lipton and Goldman Sachs. Mr. Almeida described to the Covidien board of directors the discussions that had taken place with Medtronic, including that if Medtronic decided to proceed with a potential transaction, it expected to be in a position to provide Covidien with a preliminary, non-binding proposal at the end of May. During this meeting, a representative of Wachtell Lipton discussed with the Covidien board of directors an overview of the duties of directors and the Irish Takeover Rules in the context of a possible transaction with Medtronic. Also during this meeting, representatives of Goldman Sachs provided an update on recent M&A activity in the healthcare industry and an overview of Medtronic. Representatives of Goldman Sachs also reviewed with the Covidien board of directors an illustrative standalone financial analysis of Covidien, an illustrative financial analysis of Covidien and Medtronic combined, based on conversations with Covidien management, and the strategic rationale for an acquisition of Covidien by Medtronic, noting the strategic and financial benefits from such a transaction as compared to Covidien remaining a stand-alone company. In addition, representatives of Goldman Sachs reviewed with the Covidien board of directors key financial metrics for evaluating a potential proposal from Medtronic. Detailed discussions ensued throughout this meeting.

On May 22, 2014, the Medtronic board of directors held a telephonic meeting, attended by members of Medtronic management, as well as representatives of Cleary Gottlieb and Perella Weinberg. Medtronic management reviewed with the Medtronic board of directors certain historical and projected financial information for each of Medtronic and Covidien on a standalone basis and an illustrative financial analysis of Medtronic and Covidien combined, both with and without the impact of anticipated synergies. The Medtronic board of directors also discussed the strategic rationale for, and potential benefits of, the proposed transaction, including the anticipated strategic benefits, cost synergies and potential access to substantially all of Covidien s cash without subjecting it to U.S. tax. Medtronic management also reviewed with the Medtronic board of directors various potential transaction structures and post-closing ownership percentages in the combined company for Medtronic and Covidien shareholders, noting that any potential transaction would likely involve Covidien shareholders receiving a mix of cash and stock in the combined company. Mr. Ishrak and the other members of the Medtronic board of directors emphasized the importance of a strong integration team that would work to achieve the anticipated synergies with as little disruption as possible to the business teams ability to execute on their strategic plans. The Medtronic board of directors, Medtronic management and the advisors then discussed recent proposals for potential U.S. tax reform and the potential impact that such proposals might have on Medtronic on a standalone basis and on Medtronic and Covidien combined, including the potential impact of such proposals on tax rates and access to non-U.S. cash. The Medtronic board of directors, management and the advisors also discussed that a proposed transaction with Covidien would be taxable to Medtronic shareholders and noted the impact that this tax would have on Medtronic shareholders, particularly long-term shareholders who are more likely to have a very low basis in their Medtronic stock as well as the impact on Medtronic s reputation and business if Medtronic pursued a transaction that would result in its holding company being domiciled outside of the United States. In addition, representatives of Cleary Gottlieb noted that members of the Medtronic board of directors and certain members of Medtronic management could be subject to an additional excise tax imposed on directors and officers of companies that re-domicile from the United States to another jurisdiction, and that in a number of precedent transactions, the re-domiciling company indemnified the directors and officers for this tax, which had the effect of putting the directors and officers in the same tax position as if the excise tax, which is not applicable to other shareholders, had not been imposed. Representatives of Cleary Gottlieb noted that directors and officers of Medtronic would still be responsible for, and the indemnity described would not cover, any capital gains tax on the exchange of Medtronic common shares in the transaction, and Medtronic directors and officers would need to pay these amounts just like all other Medtronic shareholders. Representatives of Perella Weinberg then presented a preliminary financial analysis regarding a potential acquisition of Covidien, and the Medtronic board of directors engaged in a discussion of potential bidding strategies in light of the Perella Weinberg financial analysis and the magnitude of the estimated cost synergies. Members of the Medtronic board of directors asked questions and

discussed the various presentations and related matters throughout the meeting and Medtronic management and representatives of Perella Weinberg and Cleary Gottlieb responded to comments and questions from the directors.

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Following the Covidien board meeting on May 22, 2014, Mr. Almeida called Mr. Ishrak to discuss the potential transaction. Mr. Almeida told Mr. Ishrak that Covidien has significant value as a stand-alone company and that Medtronic would need to offer a compelling premium in order for the Covidien board of directors to approve a transaction. In that regard, Mr. Almeida explained to Mr. Ishrak that the Covidien board of directors believed that the potential acquisition would create substantial strategic benefits for the combined company, and that the premium should account for these benefits. In addition, Mr. Almeida noted that the Covidien board of directors ascribed value to Covidien s Irish domicile, and that the Covidien board believed that domiciling the combined company in Ireland would create incremental value in addition to the strategic benefits of a combination. Mr. Ishrak stated that, while he and the rest of the Medtronic board of directors were approaching the potential transaction on a basis generally consistent with what had been described by Mr. Almeida, they were still working through various considerations and he was not in a position to offer more feedback at that time. However, Mr. Ishrak reiterated that Medtronic expected to be in a position by the end of May to decide whether to propose and, if so, to propose, on a non-binding basis, a price and structure for a combination of the two companies.

On May 27, 2014, the Medtronic board of directors held a telephonic meeting attended by members of Medtronic management as well as representatives of Cleary Gottlieb and Perella Weinberg. Medtronic management reviewed with the Medtronic board of directors an updated transaction structure analysis and related financial analyses, including an analysis comparing illustrative scenarios in which Medtronic shareholders would hold different post-closing percentages of the combined company under alternative assumptions that there would be a U.S. domiciled or an Irish domiciled entity. The Medtronic board of directors, management and the advisors then discussed recent proposals for potential U.S. tax reform and the potential impact that such proposals might have on Medtronic on a standalone basis and on Medtronic and Covidien combined, including the potential impact of such proposals on tax rates and access to non-U.S. cash. Following extensive discussion, there was general consensus that a transaction that resulted in Medtronic shareholders owning 70% of the post-closing combined company, domiciled in Ireland, would be preferable from a financial point of view due to increased balance sheet flexibility and other factors, despite the minimal reduction in effective tax rate. Medtronic management and representatives of Cleary Gottlieb then reviewed with the Medtronic board of directors certain legal, diligence and other risks associated with the proposed transaction. Members of the Medtronic board of directors asked questions and discussed the presentations and related matters throughout the meeting and Medtronic management and representatives of Perella Weinberg and Cleary Gottlieb responded to comments and questions from the directors. Following discussion of the potential risks and benefits, the Medtronic board of directors unanimously concluded that the risks would likely be outweighed by the benefits and authorized management to continue its consideration of the proposed transaction.

On May 30, 2014, the Covidien board of directors held a telephonic meeting, attended by members of Covidien management, as well as representatives of Wachtell Lipton and Goldman Sachs. Members of Covidien management and representatives of Goldman Sachs updated the Covidien board of directors on their interactions with Medtronic and its advisors following the May 21, 2014 board meeting and the expectation that Medtronic would deliver a preliminary, non-binding proposal to acquire Covidien later that day. Members of Covidien s management and representatives of Goldman Sachs reviewed with the Covidien board of directors an updated financial analysis of a potential transaction with Medtronic. Also at this meeting, a representative of Wachtell Lipton reviewed with the Covidien board of directors various matters relating to a potential acquisition of Covidien by Medtronic. Detailed discussions ensued throughout this meeting. At the conclusion of this meeting, the Covidien board of directors instructed members of Covidien management and representatives of Goldman Sachs to report back to the Covidien board of directors with Medtronic s non-binding proposal once received, and planned to reconvene on May 31, 2014 in order to discuss and assess the offer and potential next steps.

On May 30, 2014, the Medtronic board of directors held a telephonic meeting, attended by members of Medtronic management, as well as representatives of Cleary Gottlieb and Perella Weinberg. Medtronic management reviewed

with the Medtronic board of directors management s proposed communications and integration strategy in the event the parties agreed to effect a transaction. Representatives of Medtronic

management and Perella Weinberg and the Medtronic board of directors then discussed pricing considerations and, following extensive discussion, the Medtronic board of directors unanimously authorized Mr. Ishrak to present to Covidien a non-binding proposal of $90 per Covidien share (consisting of approximately $32.69 per Covidien share in cash and a fixed amount of stock having a then-current value of approximately $57.31 per share) in a transaction in which Medtronic s shareholders would own approximately 70% of the combined company which would be domiciled in Ireland.

Following the Medtronic board meeting, Mr. Ishrak called Mr. Almeida to relay the non-binding proposal orally. Medtronic then delivered a preliminary, non-binding proposal letter to Covidien, in which Medtronic proposed to acquire Covidien for $90 per ordinary share on a fully diluted basis, consisting of the cash and stock mix discussed at the May 30, 2014 Medtronic board meeting as described above. It also noted that the proposal was subject to satisfactory completion of due diligence and negotiation of mutually acceptable definitive written agreements as well as receipt of board approvals of both companies.

On May 31, 2014, the Covidien board of directors held a telephonic meeting, attended by members of Covidien management and representatives of Wachtell Lipton and Goldman Sachs. Mr. Almeida described the details of Medtronic s proposal to the Covidien board of directors, including the proposed consideration and the resulting percentage ownership of the combined company that Covidien shareholders would own immediately following closing. Thereafter, representatives of Goldman Sachs reviewed with the Covidien board of directors an updated financial analysis of a potential transaction with Medtronic, and the key terms and conditions contained in Medtronic s offer, including price, the mix of cash and stock consideration, potential transaction structure and timing. Representatives of Goldman Sachs also reviewed key diligence items that would be necessary in order to better inform the Covidien board of directors and management about Medtronic s view of the pro forma financial and operating metrics of the combined company. Representatives of Goldman Sachs also described to the Covidien board of directors the nature, scope and tone of Goldman Sachs follow-up discussion with Perella Weinberg after the receipt of the proposal, noting that the purpose of the discussion was to clarify certain points contained in Medtronic s offer and to request follow-up information regarding Medtronic s proposal. Detailed discussion ensued throughout this review. At the conclusion of the meeting, the Covidien board of directors instructed Goldman Sachs to contact Perella Weinberg to inform them that the offer, while constructive, undervalued Covidien and would need to be improved in order to warrant moving forward with negotiations regarding a potential transaction. Following the meeting, Goldman Sachs called Perella Weinberg to convey that message.

Later in the day on May 31, 2014, following discussions among Medtronic management and representatives of Perella Weinberg and Cleary Gottlieb, representatives of Perella Weinberg called representatives of Goldman Sachs to report that Medtronic management would not go back to the Medtronic board of directors to discuss the proposed transaction without specific guidance from Covidien regarding a proposal that the Covidien board of directors would be likely to find attractive. Also on May 31, 2014, representatives of Goldman Sachs requested, and Perella Weinberg provided on June 1, 2014 at Medtronic s direction, additional data to facilitate Covidien s evaluation of Medtronic s non-binding proposal.

On June 1, 2014, the Covidien board of directors held a telephonic meeting, attended by members of Covidien management, as well as representatives of Wachtell Lipton and Goldman Sachs. Representatives of Goldman Sachs described the follow-up discussions with Perella Weinberg after receipt of the proposal. Representatives of Goldman Sachs also described to the Covidien board of directors the due diligence efforts undertaken by Covidien management and Goldman Sachs with respect to the additional data received from Medtronic and reviewed with the Covidien board of directors an updated financial analysis of a potential transaction with Medtronic. A discussion ensued regarding a response to Medtronic regarding valuation (including the mix of cash/stock consideration and factors to consider in computing the exchange ratio). After further discussion and review, the Covidien board of directors

determined to make a preliminary, non-binding counter-proposal to Medtronic with a price per Covidien ordinary share between $94 and $95 and a mix of cash

and stock and other terms on a basis reflecting the discussion at the meeting, and instructed Goldman Sachs to respond to Perella Weinberg with such non-binding counter proposal.

Following the Covidien board meeting, on June 1, 2014, representatives of Goldman Sachs discussed with representatives of Perella Weinberg Covidien s response to the Medtronic proposal and informed them that the Covidien board of directors was prepared to move forward if Medtronic was willing to revise its prior non-binding proposal such that (i) the cash portion of the proposal was increased by $4 per Covidien ordinary share, and (ii) the exchange ratio was based on the 30-day volume weighted average trading price of Medtronic shares as of May 30, 2014 (which, together, would imply that the aggregate consideration to be paid to Covidien shareholders, based on the closing trading price of Medtronic stock on May 30, 2014, would be approximately $95 per ordinary share). Perella Weinberg stated that they would discuss the foregoing proposal with Medtronic.

On June 2, 2014, Mr. Ishrak called Mr. Almeida regarding Medtronic s proposal and Covidien s counterproposal. Mr. Ishrak indicated that Covidien s counterproposal made on June 1, 2014 was beyond what he believed the Medtronic board of directors would be willing to pay. During the conversation, Mr. Ishrak and Mr. Almeida discussed whether there might be a price between Medtronic s $90 per share proposal and Covidien s counterproposal that each side might consider as a reasonable compromise. As part of this discussion, Mr. Ishrak indicated that he believed that the Medtronic board of directors would be supportive of a transaction that valued Covidien at $92 per Covidien ordinary share. Mr. Almeida stated that he believed that the Covidien board of directors might consider this too low and stated that he would be prepared to present to the Covidien board of directors a transaction that valued Covidien at $92.50 per Covidien ordinary share. At the conclusion of their discussion, Mr. Almeida and Mr. Ishrak agreed to present to their respective boards a proposed combination of the two companies at a price of $92.50 per Covidien ordinary share that would result in Medtronic shareholders owning approximately 70% of the combined company and Covidien shareholders owning approximately 30% of the combined company and otherwise consistent with the terms presented by Goldman Sachs. Shortly thereafter, Goldman Sachs and Perella Weinberg spoke to confirm the terms of the proposal discussed by Messrs. Almeida and Ishrak.

On June 2, 2014, following Mr. Almeida s and Mr. Ishrak s discussion, the Covidien board of directors held a telephonic meeting, attended by members of Covidien management and representatives of Wachtell Lipton and Goldman Sachs. Mr. Almeida reported to the Covidien board of directors that during a telephone conversation earlier in the afternoon, he and Mr. Ishrak reviewed Medtronic s May 30, 2014 proposal and the feedback on that proposal that the Covidien board of directors had provided to Medtronic through Goldman Sachs conversation with Perella Weinberg. Mr. Almeida advised the Covidien board of directors that, based on his conversations with Mr. Ishrak, he expected that Medtronic would deliver a revised written non-binding cash and stock proposal with a value of $92.50 per share to Covidien the following day. Mr. Almeida then discussed matters relating to next steps in moving forward with a potential transaction with Medtronic should the Covidien board of directors decide to proceed, including determining the exchange ratio, the structure of the potential transaction and the timing to be in a position for final board approval to execute definitive transaction agreements. Detailed discussions ensued throughout this meeting. At the conclusion of the meeting, the Covidien board of directors instructed Covidien management and Covidien s advisors to continue discussions and negotiations with Medtronic and requested that Mr. Almeida continue to keep the Covidien board of directors apprised of further discussions and developments with respect to a potential transaction with Medtronic.

On June 3, 2014, the Medtronic board of directors held a telephonic meeting, attended by members of Medtronic management, as well as representatives of Cleary Gottlieb and Perella Weinberg. Mr. Ishrak updated the Medtronic board of directors on interactions between Medtronic, Covidien and their respective advisors since the last meeting of the Medtronic board on May 30, 2014. Medtronic management then presented a comparative financial analysis of the proposed transaction at various prices, focusing on the proposed price of $92.50 per Covidien ordinary share based on

the 30-day volume weighted average trading price for Medtronic shares. Representatives of Perella Weinberg then presented a preliminary financial analysis of the proposed transaction. Members of the Medtronic board of directors asked questions and discussed the presentations and related matters throughout the meeting and Medtronic management and representatives of Perella Weinberg and Cleary Gottlieb

responded to comments and questions from the directors. Following extensive discussion of the Medtronic board of directors of the proposed terms, the Medtronic board unanimously expressed their approval of the proposed terms and authorized management and Medtronic s advisors to continue to move forward with the transaction, including negotiation of other terms, completion of confirmatory due diligence and preparation for a public announcement.

On June 3, 2014, Medtronic delivered a revised non-binding proposal letter to Covidien, in which Medtronic proposed to acquire Covidien for consideration consisting of (i) $35.19 per ordinary share in cash and (ii) 0.956 shares of the combined company per Covidien ordinary share, which, taken together, was valued at approximately $92.50 per Covidien ordinary share using the 30-day volume weighted average trading price of Medtronic shares as of June 2, 2014. Based on the closing price of shares of Medtronic common stock on June 2, 2014, the consideration set forth in the proposal letter had a value of approximately $93.50 per Covidien ordinary share. The proposal letter indicated that Covidien s shareholders would own approximately 30% of the combined company on a pro forma basis and also noted that the proposal was subject to satisfactory completion of due diligence and negotiation of mutually acceptable definitive written agreements as well as receipt of board approvals of both companies.

On June 4, 2014, members of the Medtronic and Covidien management teams, together with representatives of Perella Weinberg, Cleary Gottlieb, Goldman Sachs and Wachtell Lipton, met in person to discuss the proposed transaction, including the continued due diligence of both companies, the process for negotiating definitive agreements, integration planning and the strategy for post-signing communications and public relations with various constituencies. Particular topics of discussion included the appropriate timing and nature of post-signing communications to employees of both companies, and how best to present the shared vision for the future of the combined company; the possibility and consequences of a leak with respect to the ongoing negotiations, and how such an event should be handled; and the timeline and target for signing and announcing an agreement with respect to the potential transaction.

On June 5, 2014, Cleary Gottlieb sent Wachtell Lipton initial drafts of the proposed transaction agreement, expenses reimbursement agreement and conditions to the consummation of the proposed transaction. Over the course of the subsequent days, the parties and their respective advisors negotiated and exchanged drafts of these and other transaction-related documents. The negotiations primarily focused on issues relating to conditionality with respect to changes in tax laws that would undermine the anticipated tax treatment of the combined company and subject the combined company to additional unexpected tax costs, provisions with respect to regulatory approvals, provisions regarding each board s ability to change its recommendation in favor of the transaction, provisions restricting the solicitation of alternative transaction proposals, the grounds for terminating the transaction agreement, the amount of the termination fee that Medtronic would be obligated to pay and the circumstances that would require such payment, the circumstances in which Covidien would be required to reimburse Medtronic for its expenses (subject to the one percent limit under Irish law as described elsewhere in this joint proxy statement/prospectus), the treatment of equity awards and other Covidien employee compensation and benefit matters, the composition of the combined company s board of directors, and the interim operating covenants of both parties pending the consummation of the transaction.

On June 8, 2014, representatives of Covidien attended a meeting with representatives of Medtronic in Chicago, Illinois at which Medtronic gave a series of presentations regarding Medtronic s portfolio, business strategy, product pipeline and financial outlook, including Medtronic s view of the business prospects of the combined company should the proposed transaction be completed as contemplated. Following this meeting, representatives of Covidien and Medtronic conducted a series of follow-up due diligence calls with each other over the course of the week of June 9, 2014 regarding the business prospects of the combined company, in addition to other diligence activities regarding the two companies and the business prospects of the combined company should the transaction be completed.

On June 14, 2014, the Covidien board of directors held a meeting in Dublin, Ireland, attended by members of Covidien management, as well as representatives of Wachtell Lipton, Arthur Cox, Irish legal counsel to

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Covidien for the transaction, and Goldman Sachs, to consider the proposed terms and documentation for a proposed acquisition of Covidien by Medtronic. Mr. Almeida summarized for the Covidien board of directors the discussions with Medtronic and Medtronic s advisors during the past two weeks and John H. Masterson, Covidien s Senior Vice President and General Counsel, reviewed with the Covidien board of directors the due diligence efforts and procedures undertaken by Covidien in connection with the proposed transaction. Representatives of Wachtell Lipton and Arthur Cox discussed with the Covidien board of directors an overview of the duties of directors and the Irish Takeover Rules in the context of the proposed transaction with Medtronic and the key terms of the proposed transaction agreement, the expenses reimbursement agreement and the conditions to the consummation of the proposed transaction. In addition, a representative of Arthur Cox described to the Covidien board of directors the substance of the announcement required pursuant to Rule 2.5 of the Irish Takeover Rules in connection with the proposed transaction. Also at this meeting, representatives of Goldman Sachs reviewed for the Covidien board of directors its financial analysis of the proposed transaction. A discussion ensued throughout this meeting and members of Covidien management and representatives of Goldman Sachs, Wachtell Lipton and Arthur Cox responded to comments and questions from the Covidien board of directors. Following discussion, Goldman Sachs rendered to the Covidien board of directors its oral opinion, confirmed by delivery of a written opinion dated June 15, 2014, to the effect that as of that date and based upon and subject to the assumptions and limitations set forth in its opinion, the scheme consideration proposed to be paid to Covidien shareholders in the scheme was fair to the Covidien shareholders from a financial point of view. Goldman Sachs opinion is more fully described under the caption *The Transactions Opinion of Covidien s Financial Advisor* and the full text of the written opinion of Goldman Sachs, which sets forth the assumptions and limitations in such opinion, is attached as Annex F hereto. Following these presentations and discussions, the Covidien board of directors unanimously determined that the proposed transaction agreement and the transactions contemplated thereby, including the scheme, were advisable for, fair to and in the best interests of Covidien and the Covidien shareholders, and thereby approved the acquisition and determined that the terms of the scheme were fair and reasonable. Shortly thereafter, Mr. Almeida called Mr. Ishrak to advise him of the action by the Covidien board of directors.

On June 15, 2014, the Medtronic board of directors held a meeting at its headquarters in Minneapolis to consider the proposed transaction, attended by members of Medtronic management and representatives of Perella Weinberg, Cleary Gottlieb and A&L Goodbody, Irish legal counsel to Medtronic in connection with the transaction. Members of Medtronic management summarized for the Medtronic board of directors the economic terms of the proposed transaction negotiated by the companies management teams, the strategic and financial benefits of the transaction, the potential timeline to closing, the results of the due diligence performed with respect to Covidien, the contemplated financing arrangements, and the communications plan following an announcement, assuming board approval. Representatives of Cleary Gottlieb discussed the directors fiduciary duties in connection with considering the transaction, discussed the antitrust and competition law filing requirements, process and anticipated timing, summarized the transaction structure (noting that, as previously discussed, the transaction would be taxable to Medtronic shareholders) and the terms of the proposed transaction agreement, the expenses reimbursement agreement and the transaction conditions, and (together with representatives of A&L Goodbody) reviewed certain of the principal implications of New Medtronic being an Irish company. Cleary Gottlieb representatives also noted that the proposed transaction agreement permits Covidien to agree to indemnify Covidien directors and officers in the event that they were subject to the excise tax relating to transactions involving a re-domiciling company, and noted that, if the Medtronic board of directors approved the proposed transaction at that meeting, it would need to consider whether to provide an excise tax indemnity for Medtronic directors and officers so as to put them in the same position from a tax perspective as if the excise tax, which is not applicable to other shareholders, had not been imposed. Representatives of Cleary Gottlieb noted that these indemnification arrangements would not cover any capital gains tax incurred as a result of the exchange of Covidien or Medtronic shares in connection with the transaction, and that such directors and executive officers would be responsible for such capital gains tax just like all other shareholders. Also at this meeting, representatives of Perella Weinberg reviewed for the Medtronic board of directors its financial

analysis of the proposed transaction and delivered Perella Weinberg s oral opinion to the Medtronic board of directors, confirmed by delivery of a written opinion dated June 15, 2014, to the effect that as of that date and based upon

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and subject to the various assumptions made, procedures followed, matters considered and qualifications and limitations set forth in its opinion, the consideration to be received by holders of Medtronic common stock in the transaction pursuant to the proposed transaction agreement (taking into account the acquisition of Covidien by New Medtronic) proposed to be received by holders of Medtronic common stock was fair, from a financial point of view, to the holders of Medtronic common stock (other than Medtronic and its subsidiaries). Perella Weinberg s opinion is more fully described under the caption *The Transactions Opinion of Medtronic s Financial Advisor* and the full text of the written opinion of Perella Weinberg, which sets forth the assumptions and limitations in such opinion, is attached as Annex E hereto. Members of the Medtronic board of directors asked questions and discussed the various presentations and related matters throughout the meeting and Medtronic management, as well as representatives of Perella Weinberg, Cleary Gottlieb and A&L Goodbody responded to comments and questions from the directors. Following these presentations and discussions, the Medtronic board of directors unanimously determined that the transactions contemplated by the proposed transaction agreement were fair to and in the best interests of Medtronic and the Medtronic shareholders, and approved the execution of the proposed transaction agreement and resolved to recommend that Medtronic shareholders vote in favor of the adoption of the plan of merger contained in the proposed transaction agreement and approved a variety of other matters relating to the transaction, including the proposed excise tax indemnity. Subsequent to the approval by the Medtronic board of directors of the transaction, representatives of Brunswick Group LLC, communications advisor for Medtronic in connection with the transaction, joined the meeting and the Medtronic board of directors and Medtronic management engaged with them in a further discussion of the transaction communications strategy.

On June 15, 2014, following the conclusion of the Medtronic board meeting, Covidien and Medtronic executed the Transaction Agreement and the expenses reimbursement agreement and publicly announced the transaction and Medtronic issued its Rule 2.5 announcement pursuant to the Irish Takeover Rules.

On September 22, 2014, the U.S. Treasury Department and the IRS issued the IRS Notice announcing

their intention to issue regulations interpreting multiple sections of the Code, including Section 7874, to

address inversion transactions and transactions that Treasury and the IRS characterize as post-inversion

tax avoidance transactions.

On September 26, 2014, the Medtronic board of directors held a telephonic meeting, attended by members of Medtronic management, as well as representatives of Cleary Gottlieb and Perella Weinberg. Medtronic management reviewed with the Medtronic board of directors an overview of the IRS Notice and their preliminary views on the potential impact of the rules proposed in the IRS Notice on the transaction. The Medtronic board of directors, along with representatives of Medtronic management, Cleary Gottlieb and Perella Weinberg, then discussed certain terms and provisions of the Transaction Agreement, including Medtronic s rights and obligations thereunder and potential steps that Medtronic could take to mitigate the potential impact to New Medtronic of the proposed rules. Following that discussion, the Medtronic board of directors instructed management to continue to evaluate the potential impact of the rules proposed in the IRS Notice in order to assist the board s continuing consideration of what actions to take, if any, in response to the issuance of the IRS Notice.

On October 2, 2014, the Medtronic board of directors held a telephonic meeting, attended by members of Medtronic management, as well as representatives of Cleary Gottlieb and Perella Weinberg. Medtronic management further reviewed the potential impact of the rules proposed in the IRS Notice with the Medtronic board of directors and recommended to the Medtronic board of directors that Medtronic incur external indebtedness to finance the cash component of the scheme consideration payable to Covidien s shareholders, rather than using cash from its foreign

subsidiaries as previously planned, in order to mitigate the potential impact of the proposed rules. The Medtronic board of directors, along with representatives of Medtronic management, then discussed Medtronic management s proposal and the expected impact to New Medtronic of the recommended use of external financing. The Medtronic board of directors then discussed certain terms and provisions of the Transaction Agreement, including Medtronic s rights and obligations thereunder. Following that discussion, representatives of Perella Weinberg confirmed that the proposed new financing would not have

impacted the financial analysis used by Perella Weinberg in rendering its fairness opinion delivered to the

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Medtronic board of directors as of June 15, 2014 in connection with the transaction. All members of the Medtronic board of directors present unanimously expressed their approval of Medtronic s use of external indebtedness to finance the cash component of the scheme consideration and affirmed the board s continued support of the transaction.

Recommendation of the Medtronic Board of Directors and Medtronic s Reasons for the Transaction

At its meeting on June 15, 2014, the Medtronic board of directors unanimously approved the plan of merger contained in the Transaction Agreement and determined that the entry into the Transaction Agreement and the merger are fair to and in the best interests of Medtronic and its shareholders. **The Medtronic board of directors unanimously recommends that the shareholders of Medtronic vote for the approval of the plan of merger contained in the Transaction Agreement and the revised memorandum and articles of association of New Medtronic and for the other resolutions at the Medtronic special meeting.**

At its meeting on June 15, 2014, the Medtronic board of directors considered many factors in making its determination that the entry into the Transaction Agreement and the merger are fair to and in the best interests of Medtronic and its shareholders and recommending approval of the plan of merger contained in the Transaction Agreement and the other resolutions by the Medtronic shareholders at the Medtronic special meeting. In arriving at its determination on June 15, 2014, the Medtronic board of directors consulted with Medtronic s management, legal advisors and financial advisor, reviewed a significant amount of information, considered a number of factors in its deliberations and concluded that the transaction is likely to result in significant strategic and financial benefits to Medtronic and its shareholders, including:

The belief that the combination will support and accelerate Medtronic s three fundamental strategies:

Therapy Innovation: With its expanded portfolio of innovative products and services and ability to accelerate strategic investments and investments in technology, New Medtronic would be a preeminent leader in developing, investing in and delivering therapy and procedural innovations to address the major disease states impacting patients and healthcare costs in the United States and around the world;

Globalization: With a presence in more than 150 countries, the combined entity would be better able to serve global market needs. Medtronic and Covidien have combined pro forma revenues of approximately $27 billion including approximately $13 billion from outside the U.S., of which $3.7 billion comes from emerging markets. Covidien s extensive capabilities in emerging market R&D and manufacturing, joined with Medtronic s demonstrated clinical expertise across a much broader product offering, significantly increases the number of attractive solutions the new company would be able to offer globally; and

Economic Value: Medtronic has adopted an intense focus on aligning with its customers to create more value in healthcare systems around the world by combining products, services and insights into solutions aimed at expanding access and reducing healthcare costs. With Covidien, Medtronic would be able to provide a broader array of complementary therapies and solutions that can be packaged to drive more value and efficiency in healthcare systems;

the belief that the combination will also result in the diversification of Medtronic s revenue base due to a stronger foundation in emerging market R&D and manufacturing and the addition of industry leading capabilities and expertise in general and advanced surgery and patient monitoring;

the belief that, since the transaction would be expected to support and accelerate Medtronic s three fundamental strategies, diversify Medtronic s revenue base, and for the other reasons considered by the Medtronic board of directors, the transaction will result in enhanced value for Medtronic shareholders relative to Medtronic continuing as a standalone company;

the opportunities to employ the best practices of each company to drive greater efficiencies, and from realization of economies in purchasing due to the greater scale of New Medtronic;

the belief that the Medtronic management team, working together with members of Covidien management, will be able to successfully integrate the two companies;

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the anticipated aggregate annual pre-tax cost synergies of at least $850 million by the end of Medtronic s fiscal year 2018, with additional possible revenue synergies, as more fully described in the section *Merger Benefit Statement* beginning on page 477;

the ability of New Medtronic, as an Irish-domiciled company, to access substantially all of Covidien s cash on a going-forward basis, and to accelerate strategic investments and investments in technology in the U.S.;

the expectation that the combined company s effective tax rate will be reduced by about one to two percentage points compared with the companies estimated blended rate; and

the anticipated strong credit profile of the combined company, with increased earnings and cash flow and better access to capital markets as a result of enhanced size and business diversification despite a potential ratings downgrade as a result of the transaction.

These beliefs are based in part on the following factors that the Medtronic board of directors considered:

its knowledge and understanding of the Medtronic business, operations, financial condition, earnings, strategy and future prospects;

information and discussions with Medtronic s management, in consultation with Perella Weinberg, regarding Covidien business, operations, financial condition, earnings, strategy and future prospects, and the results of Medtronic s due diligence review of Covidien;

the fact that the board of directors of New Medtronic following completion of the transaction would consist of up to 11 Medtronic directors then in office plus two members of the Covidien board of directors to be selected by the Nominating and Corporate Governance Committee of the Medtronic board of directors in consultation with Covidien, and that senior management of Medtronic would become the senior management of New Medtronic;

the current and prospective economic climate generally and the competitive climate in the medical device and supplies industries, including the potential for further consolidation;

the opinion of Perella Weinberg rendered to the Medtronic board of directors that, as of June 15, 2014, and subject to the various assumptions made, procedures followed, matters considered and qualifications and limitations set forth in its written opinion, the merger consideration of one New Medtronic ordinary share to be received for each share of Medtronic common stock (taking into account the acquisition) as provided for in the Transaction Agreement was fair, from a financial point of view, to the holders of Medtronic common stock (other than Medtronic and its subsidiaries), and the related presentation and financial analysis of Perella Weinberg provided to the board of directors of Medtronic in connection with the rendering of its opinion, as more fully described in the section entitled *Opinion of Medtronic s Financial Advisor* ;

the likelihood that the transaction will be completed on a timely basis and the belief that antitrust and competition clearances could be obtained without the imposition of conditions that would be materially adverse to the combined company;

the limited number and nature of the conditions to Covidien s obligation to complete the transaction;

the fact that the Medtronic board of directors may change its recommendation to Medtronic s shareholders in response to a material event that was not known to it as of the date of the Transaction Agreement, subject to certain limitations, if the Medtronic board of directors has concluded in good faith (after consultation with Medtronic s outside legal counsel and financial advisor) that the failure to take such action would be inconsistent with the directors fiduciary duties;

the fact that the transaction is subject to approval by the Medtronic shareholders;

that, subject to certain limited exceptions, Covidien is prohibited from soliciting, participating in any discussions or negotiations with respect to, providing information to any third party with respect to, or entering into any agreement providing for, the acquisition of Covidien;

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that Covidien must reimburse certain of Medtronic s expenses in connection with the transaction in an amount up to 1% of the equity value of Covidien if the Transaction Agreement is terminated under the circumstances specified in the expenses reimbursement agreement;

the fact that Medtronic s obligation to consummate the transaction is subject to a condition that there shall have been no change in applicable law (whether or not such change in law is yet effective) with respect to Section 7874 of the U.S. Code (or any other U.S. tax law), or any official interpretations thereof as set forth in published guidance by the IRS (other than IRS News Releases) (whether or not such change in official interpretation is yet effective), and there having been no bill that would implement such a change which has been passed in identical (or substantially identical such that a conference committee is not required prior to submission of such legislation for the President s approval or veto) form by both houses of Congress and for which the time period for the President of the United States to sign or veto such bill has not yet elapsed, in each case, that, once effective, in the opinion of nationally recognized U.S. tax counsel, would cause New Medtronic to be treated as a U.S. domestic corporation for U.S. federal income tax purposes; and

the fixed exchange ratio for the acquisition of Covidien will not be increased to compensate Covidien shareholders in the event of a decrease in the share price of Medtronic s common stock prior to the effective time, and the terms of the Transaction Agreement do not include termination rights for Covidien triggered in the event of an increase in the value of Covidien relative to the value of Medtronic.

The Medtronic board of directors weighed these factors against a number of uncertainties, risks and potentially negative factors relevant to the transaction, including the following:

the fixed exchange ratio for the acquisition of Covidien will not be reduced in the event of an increase in the share price of Medtronic s common stock prior to the effective time, and the terms of the Transaction Agreement do not include termination rights for Medtronic triggered in the event of a decrease in the value of Covidien relative to the value of Medtronic;

the adverse impact that business uncertainty prior to the closing of the transaction and during the post-closing integration period could have on the ability of both Medtronic and Covidien to attract, retain and motivate key personnel;

the challenges inherent in the combination of two business enterprises of the size and scope of Medtronic and Covidien, including the possibility that the anticipated cost savings and synergies and other benefits sought to be obtained from the transaction might not be achieved in the time frame contemplated or at all and the other numerous risks and uncertainties which could adversely affect New Medtronic s operating results;

the risk that the forecasted results in the unaudited prospective financial information of Medtronic and Covidien would not be achieved in the amounts or at the times anticipated;

the risk that a change in applicable law with respect to Section 7874 of the Code or any other U.S. tax law, or official interpretations thereof, could cause New Medtronic to be treated as a U.S. domestic corporation for U.S. federal income tax purposes following the consummation of the transaction or otherwise adversely affect New Medtronic;

that the merger is expected to be taxable for U.S. federal income tax purposes to the Medtronic shareholders, which could particularly affect long-term Medtronic shareholders with a low basis in their shares and could, among other things, lead them to sell some of their shares to provide the cash to pay the tax;

the risk of negative effects on Medtronic s reputation among various stakeholders based on the fact that New Medtronic would be an Irish-domiciled company;

the risk that the transaction might not be consummated in a timely manner or at all;

that failure to complete the transaction could cause Medtronic to incur significant fees and expenses and could lead to negative perceptions among investors, potential investors and customers;

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the limited circumstances under which Medtronic could terminate the Transaction Agreement or refuse to consummate the transaction;

that, subject to certain limited exceptions, Medtronic is prohibited during the term of the Transaction Agreement from soliciting, participating in any discussions or negotiations with respect to, providing information to any third party with respect to, or entering into any agreement providing for, the acquisition of Medtronic and that Medtronic is prohibited from terminating the Transaction Agreement to enter into any agreement providing for the acquisition of Medtronic;

the risk that, pursuant to the terms of the Transaction Agreement, Medtronic may become obligated to pay a termination fee of $850 million if the Transaction Agreement is terminated under certain circumstances specified in the Transaction Agreement;

that Medtronic is limited to recovering its documented, specific and quantifiable third-party costs and expenses from Covidien in an amount up to 1% of the equity value of Covidien if the Transaction Agreement is terminated under the circumstances specified in the expenses reimbursement agreement;

the restrictions on Medtronic s operations until completion of the transaction which could have the effect of preventing Medtronic from pursuing other strategic transactions during the pendency of the Transaction Agreement as well as taking certain other actions relating to the conduct of its business without the prior consent of Covidien; and

the risks of the type and nature described under the sections entitled *Risk Factors* and *Cautionary Statement Regarding Forward-Looking Statements*.

At its meeting on June 15, 2014, the Medtronic board of directors concluded that the uncertainties, risks and potentially negative factors relevant to the transaction were outweighed by the potential benefits that it expected Medtronic and the Medtronic shareholders would achieve as a result of the transaction.

In arriving at its determination on October 2, 2014 to approve Medtronic s use of external indebtedness to finance the cash component of the scheme consideration and to affirm its continued support of the transaction, the Medtronic board of directors consulted with Medtronic s management, legal advisors and financial advisor, reviewed a significant amount of information, considered a number of factors in its deliberations and concluded that the transaction remained likely to result in significant strategic and financial benefits to Medtronic and its shareholders for the reasons set forth above. Its determination was based in part on the following factors that the Medtronic board of directors considered:

the continued belief in the strategic benefits of the transaction;

the potential impact of the proposed rules described in the IRS Notice;

the anticipated financial impact of the proposed use of external indebtedness to finance the cash component of the scheme consideration as compared to the anticipated financial impact of the intercompany financing structure that had been expected to be utilized prior to the issuance of the IRS Notice;

the fact that by virtue of their post-closing ownership of New Medtronic, former Medtronic shareholders would bear 70%, and former Covidien shareholders would bear 30%, of any potential adverse impact arising from the proposed rules described in the IRS Notice;

Medtronic s rights under the Transaction Agreement relevant to the Medtronic board of directors consideration of the IRS Notice; and

Perella Weinberg s confirmation that the proposed new financing would not have impacted the financial analysis used by Perella Weinberg in rendering its fairness opinion delivered to the Medtronic board of directors as of June 15, 2014 in connection with the transaction.

In considering the recommendation of the Medtronic board of directors, Medtronic shareholders should be aware that directors and executive officers of Medtronic have interests in the proposed transaction that are different from, or in addition to, any interests they might have as shareholders. See *Interests of Certain Persons in the Transaction Medtronic* beginning on page 125 of this joint proxy statement/prospectus.

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This discussion of the information and factors considered by the Medtronic board of directors includes the principal positive and negative factors considered by the Medtronic board of directors, but is not intended to be exhaustive and may not include all of the factors considered by the Medtronic board of directors. In view of the wide variety of factors considered in connection with its evaluation of the transaction, and the complexity of these matters, the Medtronic board of directors did not find it useful and did not attempt to quantify or assign any relative or specific weights to the various factors that it considered in reaching its determination to approve the transaction and to make its recommendations to the Medtronic shareholders. Rather, the Medtronic board of directors viewed its decisions as being based on the totality of the information presented to it and the factors it considered. In addition, individual members of the Medtronic board of directors may have given differing weights to different factors.

Recommendation of the Covidien Board of Directors and Covidien s Reasons for the Transaction

At its meeting on June 14, 2014 in Dublin, Ireland, the members of the Covidien board of directors unanimously determined that the Transaction Agreement and the transaction contemplated thereby, including the scheme, were advisable for, fair to and in the best interests of Covidien and the Covidien shareholders, and that the terms of the scheme were fair and reasonable. **The Covidien board of directors unanimously recommends that the shareholders of Covidien vote in favor of the scheme at the special Court-ordered meeting and in favor of the scheme and other resolutions at the EGM.**

In evaluating the Transaction Agreement and the proposed transaction, the Covidien board of directors consulted with management, as well as Covidien s internal and outside legal counsel and its financial advisor, and considered a number of factors, weighing both perceived benefits of the transaction as well as potential risks of the transaction.

The Covidien board of directors considered the following factors that it believes support its determinations and recommendations:

Aggregate Value and Composition of the Consideration

that the scheme consideration had an implied value per Covidien ordinary share of $93.22, based on the closing price of Medtronic shares as of June 13, 2014 (the last trading day prior to announcement of the transaction), which represented a 29.4% premium to the closing price per Covidien ordinary share on the same date, which the Covidien board of directors viewed as an attractive valuation relative to other transactions and peer comparisons;

that the equity component of the scheme consideration offers Covidien shareholders the opportunity to participate in the future earnings and growth of the combined company, while the cash portion of the scheme consideration provides Covidien shareholders with immediate certainty of value;

that the fixed exchange ratio provides certainty to the Covidien shareholders as to their pro forma percentage ownership of approximately 30% of the combined company;

Synergies and Strategic Considerations

the potential for Covidien shareholders, as shareholders of the combined company, to benefit to the extent of their interest in the combined company from the synergies expected to result from the transaction, which are projected to be at least $850 million (on a pre-tax basis) by the end of New Medtronic s fiscal year 2018;

the belief of the Covidien board of directors that the combined company will have a comprehensive product portfolio, a diversified growth profile and broad geographic reach;

the Covidien board of directors familiarity with and understanding of Covidien s business, results of operations, financial and market position, and its expectations concerning Covidien s future prospects;

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information and discussions with Covidien s management, in consultation with Goldman Sachs, regarding Medtronic s business, results of operations, financial and market position, and Medtronic management s expectations concerning Covidien s business prospects, and historical and current trading prices of Medtronic shares;

information and discussions regarding the benefits of size and scale, the expected credit profile and effective tax rate of the combined company and the expected pro forma effect of the proposed transaction;

the Covidien board of directors ongoing evaluation of strategic alternatives for maximizing shareholder value over the long term, including senior management s standalone plan, and the potential risks, rewards and uncertainties associated with such alternatives, and the Covidien board s belief that the proposed transaction with Medtronic was the most attractive option available to Covidien shareholders;

the perceived benefits of New Medtronic being organized under the laws of Ireland, including the significant global cash management flexibility of the combined company;

Opinion of Financial Advisor

the opinion of Goldman Sachs to the Covidien board of directors that, as of June 15, 2014 and based upon and subject to the assumptions and limitations set forth therein, the scheme consideration is fair to the Covidien shareholders (other than Medtronic and its affiliates) from a financial point of view, together with the financial analyses presented by Goldman Sachs to the Covidien board of directors in connection with the delivery of the opinion, as further described under *Opinion of Covidien s Financial Advisor* ;

Likelihood of Completion of the Transaction

the likelihood that the transaction will be consummated, based on, among other things:

the closing conditions to the scheme and acquisition, including the fact that the obligations of Medtronic are not subject to a financing condition;

that Medtronic has obtained committed debt financing for the transaction from a reputable financing source in accordance with the funds certain requirement of the Irish Takeover Rules; and

the commitment made by Medtronic to cooperate and use reasonable best effort to obtain regulatory clearances, including under the HSR Act and the EC Merger Regulation, including to divest assets or commit to limitations on the businesses of Covidien and Medtronic to the extent provided in the Transaction Agreement, as discussed further under *The Transaction Regulatory Approvals Required* ;

Favorable Terms of the Transaction Agreement and Expenses Reimbursement Agreement

the terms and conditions of the Transaction Agreement and the expenses reimbursement agreement and the course of negotiations of such agreements, including, among other things:

- the ability of Covidien, under certain circumstances, to provide information to and to engage in discussions or negotiations with a third party that makes an unsolicited acquisition proposal, as further described under *The Transaction Agreement Covenants and Agreements* ;

- the ability of the Covidien board of directors, under certain circumstances, to change its recommendation to Covidien shareholders concerning the scheme, as further described under *The Transaction Agreement Covenants and Agreements* ;

- the ability of the Covidien board of directors to terminate the Transaction Agreement under certain circumstances, including to enter into an agreement providing for a superior proposal, subject to certain conditions (including payment of an expense reimbursement to Medtronic and certain rights of Medtronic giving it the opportunity to match the superior proposal), as further described under *The Transaction Agreement Covenants and Agreements* ;

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the terms of the Transaction Agreement that restrict Medtronic s ability to solicit alternative business combination transactions and to provide confidential due diligence information to, or engage in discussions with, a third party interested in pursuing an alternative business combination transaction, as further discussed under *The Transaction Agreement Covenants and Agreements* ;

the obligation of Medtronic to pay Covidien a termination fee of $850 million upon termination of the Transaction Agreement under specified circumstances;

the requirement that Medtronic hold a shareholder vote on the Transaction Agreement, even though the Medtronic board of directors may have withdrawn or changed its recommendation, and the inability of Medtronic to terminate the Transaction Agreement to enter into an agreement for a superior proposal;

the Covidien board of directors belief that the expenses reimbursement payment to be made to Medtronic upon termination of the Transaction Agreement under specified circumstances, which is capped at an amount equal to 1% of the total value attributable to the entire issued share capital of Covidien under the acquisition, is much less of a financial impediment to another party making a superior acquisition proposal after execution of the Transaction Agreement than is typical in U.S. transactions, which customarily provide for a fixed break-up fee of a substantially greater amount, and is not likely to significantly deter another party from making such an acquisition proposal; and

the governance arrangements contained in the Transaction Agreement, which provide that, after completion of the scheme, the board of directors of New Medtronic will consist of no more than eleven individuals who are members of the Medtronic board of directors immediately prior to the completion of the transaction and two individuals who are members of the Covidien board of directors immediately prior to the completion of the transaction, to be selected by the Nominating and Corporate Governance Committee of the Medtronic board of directors in consultation with Covidien.

The Covidien board of directors also considered a variety of risks and other countervailing factors, including:

Taxable Transaction

that the scheme will be a fully taxable transaction for Covidien shareholders for U.S. federal income tax purposes;

Fluctuations in Share Price

that the fixed exchange ratio will not adjust downwards to compensate for changes in the price of Covidien or Medtronic shares prior to the consummation of the transaction, and the terms of the Transaction Agreement do not include termination rights triggered by a decrease in the value of Medtronic relative to the value of Covidien (although the Covidien board of directors determined that the exchange ratio was appropriate and the risks acceptable in view of the relative intrinsic values and financial performance of Covidien and Medtronic and the historic trading prices of Covidien and Medtronic shares);

Limitations on Covidien s Business Pending Completion of the Transaction

the restrictions on the conduct of Covidien s business during the pendency of the transaction, which may delay or prevent Covidien from undertaking business opportunities that may arise or may negatively affect Covidien s ability to attract and retain key personnel;

the terms of the Transaction Agreement that restrict Covidien s ability to solicit alternative business combination transactions and to provide confidential due diligence information to, or engage in discussions with, a third party interested in pursuing an alternative business combination transaction, as further discussed under *The Transaction Agreement Covenants and Agreements*, although the Covidien board of directors believed that such terms were reasonable and not likely to significantly deter another party from making a superior acquisition proposal;

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Possible Disruption of Covidien s Business

the potential for diversion of management and employee attrition and the possible effects of the announcement and pendency of the transaction on customers and business relationships;

Risks of Delays or Non-Completion

the amount of time it could take to complete the transaction, including the fact that completion of the transaction depends on factors outside of Covidien s control, and that there can be no assurance that the conditions to the transaction will be satisfied even if the scheme is approved by Covidien shareholders;

the possibility of non-consummation of the transaction and the potential consequences of non-consummation, including the potential negative impacts on Covidien, its business and the trading price of its shares;

Uncertainties Following Completion

the difficulty and costs inherent in integrating diverse, global businesses and the risk that the cost savings, synergies and other benefits expected to be obtained as a result of the transaction might not be fully or timely realized; and

Other Risks

the risks of the type and nature described under the sections entitled *Risk Factors* and *Cautionary Statement Regarding Forward Looking Statements*.

The Covidien board of directors concluded that the uncertainties, risks and potentially negative factors relevant to the transaction were outweighed by the potential benefits that it expected Covidien and its shareholders would achieve as a result of the transaction.

In considering the recommendation of the Covidien board of directors, you should be aware that directors and executive officers of Covidien have interests in the proposed transaction that are in addition to, or different from, any interests they might have as shareholders. See *Interests of Certain Persons in the Transaction* beginning on page 125.

This discussion of the information and factors considered by the Covidien board of directors includes the principal positive and negative factors considered by the Covidien board of directors, but is not intended to be exhaustive and may not include all of the factors considered by the Covidien board of directors. In view of the wide variety of factors considered in connection with its evaluation of the transaction, and the complexity of these matters, the Covidien board of directors did not find it useful and did not attempt to quantify or assign any relative or specific weights to the various factors that it considered in reaching its determination to approve the transaction and to make its recommendations to the Covidien shareholders. Rather, the Covidien board of directors viewed its decisions as being based on the totality of the information presented to it and the factors it considered. In addition, individual members of the Covidien board of directors may have given differing weights to different factors.

Opinion of Medtronic s Financial Advisor

The Medtronic board of directors retained Perella Weinberg to act as its financial advisor in connection with the transaction. The board of directors selected Perella Weinberg based on Perella Weinberg s qualifications, expertise and reputation and its knowledge of the business and affairs of Medtronic and Covidien and the industries in which Medtronic and Covidien conduct their respective businesses. Perella Weinberg, as part of its investment banking business, is continually engaged in performing financial analyses with respect to businesses and their securities in connection with mergers and acquisitions, leveraged buyouts and other transactions as well as for corporate and other purposes.

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On June 15, 2014, Perella Weinberg rendered its oral opinion, subsequently confirmed in writing, to the Medtronic board of directors that, as of such date and based upon and subject to the various assumptions made, procedures followed, matters considered and qualifications and limitations set forth therein, the merger consideration of one New Medtronic share to be received for each share of Medtronic common stock (taking into account the acquisition of Covidien) as provided for in the Transaction Agreement was fair, from a financial point of view, to the holders of Medtronic common stock (other than Medtronic and its subsidiaries).

The full text of Perella Weinberg s written opinion, dated June 15, 2014, which sets forth, among other things, the assumptions made, procedures followed, matters considered and qualifications and limitations on the review undertaken by Perella Weinberg, is attached as Annex E and is incorporated by reference herein. Holders of Medtronic common stock are urged to read Perella Weinberg s opinion carefully and in its entirety. The opinion does not address Medtronic s underlying business decision to enter into the transaction or the relative merits of the transaction as compared with any other strategic alternative that may have been available to Medtronic. The opinion does not constitute a recommendation to any holder of Medtronic common stock or Covidien ordinary shares as to how such holder should vote or otherwise act with respect to the transaction or any other matter and does not in any manner address the prices at which Medtronic common stock or Covidien ordinary shares will trade at any time. In addition, Perella Weinberg expressed no opinion as to the fairness of the transaction, or any consideration received in connection with the transaction, to the holders of any other class of securities, creditors or other constituencies of Medtronic. Perella Weinberg provided its opinion for the information and assistance of the Medtronic board of directors in connection with, and for the purposes of its evaluation of, the transaction. This summary is qualified in its entirety by reference to the full text of the opinion.

On October 2, 2014, representatives of Perella Weinberg confirmed that the changes to the proposed financing, as described in *The Transaction Financing* beginning on page 123 of this joint proxy statement/prospectus, would not have impacted the financial analysis used by Perella Weinberg in rendering its fairness opinion delivered to the Medtronic board of directors as of June 15, 2014 in connection with the transaction.

In arriving at its opinion, Perella Weinberg, among other things:

- reviewed certain publicly available financial statements and other business and financial information with respect to Covidien and Medtronic, including research analyst reports;
- reviewed certain publicly available financial projections concerning the business and financial prospects of Covidien and Medtronic (which we refer to in this section as the Public Forecasts);
- reviewed certain internal analyses and forecasts (which we refer to in this section as the Medtronic Forecasts), and other financial and operating data relating to the business of Medtronic, in each case, prepared by the management of Medtronic;
- reviewed certain internal analyses and forecasts (which we refer to in this section as the Covidien Forecasts), and other financial and operating data relating to the business of Covidien, in each case, prepared by management of Covidien and provided to Perella Weinberg by management of Medtronic;

reviewed an alternative version of the Covidien Forecasts incorporating certain adjustments thereto made by the management of Medtronic (which we refer to in this section as the Adjusted Covidien Forecasts), and discussed with the management of Medtronic its assessments as to the relative likelihood of achieving the future financial results reflected in the Covidien Forecasts and the Adjusted Covidien Forecasts;

reviewed information relating to certain operational and financial benefits anticipated to result from the consummation of the transaction (which we refer to in this section as the Anticipated Synergies), in each case, prepared by the management of Medtronic;

discussed the past and current operations, financial condition and prospects of Covidien and Medtronic, including information relating to the Anticipated Synergies, with the management of Medtronic;

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compared the financial performance of Covidien and Medtronic with that of certain publicly-traded companies which Perella Weinberg believed to be generally relevant;

compared the financial terms of the transaction with the publicly available financial terms of certain transactions which Perella Weinberg believed to be generally relevant;

reviewed the potential pro forma financial impact of the transaction on Medtronic;

reviewed the historical trading prices and trading activity for Covidien ordinary shares and Medtronic common stock and compared such price and trading activity of Covidien ordinary shares and Medtronic common stock with that of securities of certain publicly-traded companies which Perella Weinberg believed to be generally relevant;

participated in discussions among representatives of Covidien and Medtronic and their respective financial and legal advisors;

reviewed a draft dated June 15, 2014 of the Transaction Agreement, a draft dated June 15, 2014 of the expenses reimbursement agreement and a draft dated June 15, 2014 of the Rule 2.5 Announcement, and certain other documents; and

conducted such other financial studies, analyses and investigations, and considered such other factors, as Perella Weinberg deemed appropriate.

In arriving at its opinion, Perella Weinberg assumed and relied upon, without independent verification, the accuracy and completeness of the financial and other information supplied or otherwise made available to Perella Weinberg (including information that was available from generally recognized public sources) for purposes of its opinion and further assumed, with the consent of Medtronic, that the information furnished by the managements of Medtronic and Covidien for purposes of its analysis did not contain any material omissions or misstatements of material fact. With respect to the Medtronic Forecasts, Perella Weinberg was advised by the management of Medtronic and assumed, with the consent of Medtronic, that such forecasts were reasonably prepared on bases reflecting the best estimates available at the time and the good faith judgments of the management of Medtronic as to the future financial performance of Medtronic and the other matters covered thereby and Perella Weinberg expressed no view as to the assumptions on which they were based. With respect to the Covidien Forecasts, Perella Weinberg assumed, with the consent of Medtronic, that such forecasts were reasonably prepared on bases reflecting the best estimates available at the time and the good faith judgments of the management of Covidien as to the future financial performance of Covidien and the other matters covered thereby and Perella Weinberg expressed no view as to the assumptions on which they were based. With respect to the Adjusted Covidien Forecasts, Perella Weinberg assumed, with the consent of Medtronic, that such forecasts were reasonably prepared on bases reflecting the best estimates available at the time and the good faith judgments of the management of Medtronic as to the future financial performance of Covidien and the other matters covered thereby and Perella Weinberg expressed no view as to the assumptions on which they were based. Based on the assessments of the management of Medtronic as to the relative likelihood of achieving the future financial results reflected in the Covidien Forecasts and the Adjusted Covidien Forecasts, Perella Weinberg used, at the direction of Medtronic, the Adjusted Covidien Forecasts for purposes of its opinion. While senior executives of

Covidien presented their views to Perella Weinberg on the past and current business, operations, financial condition and prospects of Covidien, Perella Weinberg did not have discussions with management of Covidien on these matters. Perella Weinberg assumed, with the consent of Medtronic, that the Anticipated Synergies (including the amount, timing and achievability thereof) would be realized in the amounts and at the times projected by the management of Medtronic, and Perella Weinberg expressed no view as to the assumptions on which the Anticipated Synergies were based. Perella Weinberg relied without independent verification upon the assessments by the management of Medtronic of the timing and risks associated with the integration of Medtronic and Covidien. In arriving at its opinion, Perella Weinberg did not make any independent valuation or appraisal of the assets or liabilities (including any contingent, derivative or off-balance-sheet assets and liabilities) of Covidien or Medtronic, nor was Perella Weinberg furnished with any such valuations or appraisals, nor did Perella Weinberg assume any obligation to conduct, nor did Perella Weinberg conduct, any physical

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inspection of the properties or facilities of Medtronic or Covidien. In addition, Perella Weinberg did not evaluate the solvency of any party to the Transaction Agreement, including under any state or federal laws relating to bankruptcy, insolvency or similar matters. Perella Weinberg assumed that the final transaction documents would not differ in any material respect from the draft transaction documents reviewed by Perella Weinberg and that the transaction would be consummated in accordance with the terms set forth in such transaction documents, without material modification, waiver or delay. In addition, Perella Weinberg assumed that in connection with the receipt of all the necessary approvals of the transaction, no delays, limitations, conditions or restrictions will be imposed that could have an adverse effect on Medtronic, Covidien, or their respective affiliates, or the contemplated benefits expected to be derived in the transaction. Perella Weinberg relied as to all legal matters relevant to rendering its opinion upon the advice of its counsel.

Perella Weinberg s opinion addressed only the fairness from a financial point of view, as of the date thereof, of the merger consideration of one New Medtronic share to be received for each share of Medtronic common stock (taking into account the acquisition of Covidien) as provided for in the Transaction Agreement to the holders of Medtronic common stock (other than Medtronic and its subsidiaries). Perella Weinberg was not asked to, nor did it, offer any opinion as to any other term of the transaction documents or the form or structure of the transaction or the likely timeframe in which the transaction would be consummated. In addition, Perella Weinberg expressed no opinion as to the fairness of the amount or nature of any compensation to be received by any officers, directors or employees of any parties to the transaction, or any class of such persons, whether relative to the consideration to be received by the holders of Medtronic common stock (other than Medtronic or any of its subsidiaries) in the merger or otherwise. Perella Weinberg did not express any opinion as to any tax or other consequences that may result from the transaction or the likelihood of any change in tax law or the consequences of any such change or any mitigation in respect thereof by the parties to the Transaction Agreement. In addition, Perella Weinberg s opinion did not address any legal, tax, regulatory or accounting matters, as to which Perella Weinberg relied on the assessments made by Medtronic and its advisors and as to which Perella Weinberg understood Medtronic had received such advice as Medtronic deemed necessary from qualified professionals. Perella Weinberg s opinion did not address the underlying business decision of Medtronic to enter into the transaction or the relative merits of the transaction as compared with any other strategic alternative which may have been available to Medtronic.

Perella Weinberg s opinion was necessarily based on financial, economic, market and other conditions as in effect on, and the information made available to Perella Weinberg as of, the date of its opinion. It should be understood that subsequent developments may affect Perella Weinberg s opinion and the assumptions used in preparing it, and Perella Weinberg does not have any obligation to update, revise, or reaffirm its opinion. The issuance of Perella Weinberg s opinion was approved by a fairness committee of Perella Weinberg.

Summary of Material Financial Analyses

The following is a summary of the material financial analyses performed by Perella Weinberg and reviewed by the Medtronic board of directors in connection with Perella Weinberg s opinion and does not purport to be a complete description of the financial analyses performed by Perella Weinberg. The order of analyses described below does not represent the relative importance or weight given to those analyses by Perella Weinberg. Some of the summaries of the financial analyses include information presented in tabular format.

In order to fully understand Perella Weinberg s financial analyses, the tables must be read together with the text of each summary. The tables alone do not constitute a complete description of the financial analyses. Considering the data below without considering the full narrative description of the financial analyses, including the methodologies and assumptions underlying the analyses, could create a misleading or incomplete view of Perella Weinberg s financial analyses.

Historical Share Price Analysis

Perella Weinberg reviewed the share price performance of Medtronic and Covidien during various periods ending on June 13, 2014 (the last trading day prior to the Medtronic board of directors meeting approving the

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execution of the Transaction Agreement). Perella Weinberg noted that the range of low and high trading prices of Medtronic common stock during the prior 52-week period was approximately $51 to $63, compared to the $60.70 closing market price per share of Medtronic common stock on June 13, 2014. Perella Weinberg noted that the range of low and high trading prices of Covidien ordinary shares during the prior 52-week period was approximately $57 to $74, which was lower than the $93.22 implied offer price for Covidien ordinary shares (based on the closing price of Medtronic common stock as of June 13, 2014).

The historical share price analysis provided general reference points with respect to the trading prices of Medtronic common stock and Covidien ordinary shares, which in turn enabled Perella Weinberg to compare the historical prices with the implied offer price in the transaction.

Equity Research Analyst Price Targets

Perella Weinberg reviewed and analyzed selected price targets for Medtronic common stock and Covidien ordinary shares published by equity research analysts during the period from April 25, 2014 through June 6, 2014.

The selected price targets reflect each analyst s estimate of the future public market trading price of Medtronic common stock and Covidien ordinary shares at a date one year following the date of publication and are not discounted to reflect present values. Perella Weinberg noted that, as of June 13, 2014, the range of undiscounted equity analyst price targets for Medtronic s common stock was between $57 and $70 per share, and the median of such targets was $66 per share and represented a premium to Medtronic s stock price as of June 13, 2014 of 8.7%. Perella Weinberg also noted that, as of June 13, 2014, the range of undiscounted equity analyst price targets for Covidien s ordinary shares was between $71 and $82 per share, and the median of such targets was $80 per share and represented a premium to Covidien s share price as of June 13, 2014 of 11.1%.

The public market trading price targets published by equity research analysts do not necessarily reflect current market trading prices for either Medtronic common stock or Covidien ordinary shares, and these estimates are subject to uncertainties, including the future financial performance of Medtronic and Covidien, respectively, and future financial market conditions.

Comparable Company Analysis

Perella Weinberg reviewed and compared certain financial information for Medtronic and Covidien to corresponding financial information, ratios and public market multiples for certain publicly held companies that operate in, or are exposed to, businesses similar to those of Medtronic and Covidien. Perella Weinberg performed a comparable company analysis in order to derive an implied range of values per share of Medtronic common stock and an implied range of values per ordinary share of Covidien from ratios and public market multiples for such companies. Although none of the following companies are identical to Medtronic or to Covidien, Perella Weinberg selected these companies because they had publicly traded equity securities and were deemed to be similar to Medtronic and Covidien in one or more respects including operating in the medical device, medical apparatus or medical technology manufacturing industry.

Selected Publicly Traded Companies

Abbott Laboratories

Baxter International Inc.

Becton, Dickinson and Company

Boston Scientific Corp.

C. R. Bard, Inc.

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Danaher Corporation

Johnson & Johnson

Smith & Nephew plc

St. Jude Medical, Inc.

Stryker Corp.

Thermo Fisher Scientific Inc.

Zimmer Holdings, Inc. (on a pro forma basis for its acquisition of Biomet)

For each of the selected companies, Perella Weinberg calculated and compared financial information and various financial market multiples and ratios based on company filings for historical information and certain publicly available financial projections for forecasted information. For Medtronic and Covidien, Perella Weinberg made calculations based on company filings for historical information and the Public Forecasts for forecasted information.

With respect to Medtronic, Covidien and each of the selected companies, Perella Weinberg reviewed enterprise value (calculated as fully diluted equity value (using the treasury method) plus debt, plus net non-operating liabilities, plus minority interest, less cash and cash equivalents), as a multiple of estimated earnings before interest, taxes, depreciation and amortization (EBITDA), and share price to estimated earnings per share (EPS), in each case presented based on fiscal years ending April 30. The per share values used for this analysis were based on the closing share prices of the companies on June 13, 2014 (other than Smith & Nephew plc, for which the per share value was based on its closing share price on May 27, 2014, the last trading day before media reports of potential transactions involving Smith & Nephew plc). The results of these analyses are summarized in the following table:

	EV /2015E EBITDA Multiple	**Share Price /2015E EPS Multiple**
Medtronic	9.4x	15.0x
Covidien	12.2x	16.9x
Abbott Laboratories	11.3x	17.3x
Baxter International Inc.	10.3x	13.9x
Becton, Dickinson and Company	10.6x	17.9x
Boston Scientific Corp.	12.0x	15.4x
C. R. Bard, Inc.	11.7x	16.0x
Danaher Corporation	12.4x	20.7x
Johnson & Johnson	11.3x	17.1x
Smith & Nephew plc	10.3x	18.4x

St. Jude Medical, Inc.	11.8x	15.9x
Stryker Corp.	11.4x	16.8x
Thermo Fisher Scientific Inc.	15.1x	16.5x
Zimmer Holdings, Inc.	9.8x	16.8x

Based on the analysis of the relevant metrics for each of the comparable companies and on the experience and judgment of Perella Weinberg, a representative range of financial multiples of the comparable companies was applied to the relevant financial statistics for Medtronic and Covidien to estimate an implied value per share of Medtronic common stock and Covidien ordinary shares. For the EV / 2015E EBITDA comparison, Perella Weinberg multiplied the relevant 2015E EBITDA multiple by the 2015E EBITDA to calculate enterprise value.

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To calculate the implied equity value, Perella Weinberg subtracted debt, non-operating liabilities and minority interest and added cash and cash equivalents. Perella Weinberg calculated implied value per share by dividing the implied equity value by the fully diluted shares (using the treasury method). For the Share Price / 2015E EPS comparison, Perella Weinberg multiplied the relevant 2015E EPS multiple by the 2015E EPS to calculate implied value per share.

Based on Medtronic s and Covidien s fully diluted equity values (using the treasury method), Perella Weinberg estimated the implied value per share of Medtronic common stock and the implied value per ordinary share of Covidien, in each case as of June 13, 2014, as follows:

	Comparable Company Multiple Representative Range		Implied Value Per Share	
Medtronic				
EV / 2015E EBITDA	9.0x	11.0x	$ 58	$70
Share Price / 2015E EPS	13.0x	17.0x	$ 53	$69
Covidien				
EV / 2015E EBITDA	10.5x	12.5x	$ 61	$74
Share Price / 2015E EPS	15.0x	17.0x	$ 64	$73

Perella Weinberg compared the ranges of implied value per share of Medtronic common stock to the $60.70 closing market price per share of Medtronic common stock on June 13, 2014. Perella Weinberg also noted the ranges of implied value per ordinary share of Covidien were lower than the $93.22 implied offer price for Covidien ordinary shares (based on the closing price of Medtronic common stock as of June 13, 2014).

Although the selected companies were used for comparison purposes, no business of any selected company was either identical or directly comparable to either Medtronic s or Covidien s business. Accordingly, Perella Weinberg s comparison of selected companies to Medtronic and Covidien and analysis of the results of such comparisons was not purely mathematical, but instead necessarily involved complex considerations and judgments concerning differences in financial and operating characteristics and other factors that could affect the relative values of the selected companies.

Precedent Transaction Analysis

Using publicly available information, Perella Weinberg reviewed the terms of selected precedent transactions involving companies that operated in, or were exposed to, the medical technology or other healthcare industry. Perella Weinberg selected these transactions in the exercise of its professional judgment and experience because Perella Weinberg deemed them to be most similar in size, scope and impact on the industry to Covidien or otherwise relevant to the transaction. No company or transaction was, however, identical to Covidien or the transaction.

For each transaction, Perella Weinberg calculated and compared the resulting enterprise value in the transaction as a multiple of EBITDA over the last twelve months publicly reported prior to the announcement of the transaction (referred to as LTM EV/EBITDA) and the ratio of the purchase price per share to the earnings per share of the target over the twelve months prior to the announcement of the transaction (referred to as LTM P/E). In addition, for each transaction, where available, Perella Weinberg calculated the premiums of the offer price in

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the transaction to the target company s closing stock price 30 days prior to the announcement of the transaction (except where otherwise noted in the tables below).

Medical Technology

Acquirer	Target	Announcement Date	Transaction Value (billions of USD)	LTM P/E	LTM EV / EBITDA	30-day Premium
Zimmer Holdings, Inc.	Biomet Inc.	4/24/14	$ 13.4	18.1x	12.2x	N/A(1)
Valeant Pharmaceuticals International Inc.	Allergan Inc.	4/22/14	$ 53.8	35.5x(2)	23.7x(2)	39%(2)
Johnson & Johnson	Synthes Inc.	4/27/11	$ 19.7	23.1x	12.2x	36%(3)
Hologic Inc.	Cytyc Corporation	5/20/07	$ 6.1	35.5x	24.1x	32%
Boston Scientific Corp.	Guidant Corporation	12/05/05	$ 25.4	40.8x	25.8x	25%(4)

(1) Biomet is not a publicly traded company.
(2) Reflects May 30, 2014 offer by Valeant, which was rejected by the Allergan board of directors. Premium based on closing share price on the last trading day prior to public reports of possible bid on April 10, 2014. Transaction value does not include a Contingent Value Right relating to future sales of certain target products.
(3) Premium based on closing share price on the last trading day prior to public reports of possible bid on April 15, 2011.
(4) Premium based on closing share price on the last trading day prior to public reports of possible bid on December 1, 2004.

Other Healthcare

Acquirer	Target	Announcement Date	Transaction Value (billions of USD)	LTM P/E	LTM EV/ EBITDA	30-day Premium
Actavis plc	Forest Laboratories Inc.	2/18/14	$ 21.9	78.5x	52.5x	30%
Thermo Fisher Scientific Inc.	Life Technologies Corporation	4/15/13	$ 15.7	18.7x	12.6x	49%(1)
Express Scripts Inc.	Medco Health Solutions Inc.	7/21/11	$ 33.7	18.8x	11.1x	27%
Sanofi-Aventis SA	Genzyme Corporation	10/04/10	$ 20.8	64.6x	26.9x	37%(2)
Merck KGaA	Millipore Corporation	2/28/10	$ 7.1	26.8x	17.4x	55%
Merck & Co.	Schering-Plough Corporation	3/9/09	$ 45.6	13.5x	11.7x	21%

Pfizer Inc.	Wyeth	1/26/09	$	65.2	14.2x	8.2x	39%

(1) Premium based on closing share price on the last trading day prior to public reports of possible bid on January 18, 2013.

(2) Premium based on closing share price on the last trading day prior to public reports of possible bid on July 23, 2010. Transaction value includes a Contingent Value Right valued at $2.23 per share as of 04/01/11, the first day of trading.

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Perella Weinberg observed that the LTM P/E ratio and LTM EV/EBITDA multiple for the transaction were 24.7x and 16.9x, respectively. Perella Weinberg also observed that the implied premiums of the offer price in the transaction to Covidien s 30-day volume-weighted average price and Covidien s June 13, 2014 closing share price were 29% and 29%, respectively.

No company or transaction utilized as a comparison in the selected precedent transactions analysis is identical to Covidien, nor are any such precedent transactions identical to the transaction. In evaluating the transactions listed above, Perella Weinberg made judgments and assumptions with respect to industry performance, general business, economic, market and financial conditions and other matters, many of which are beyond the control of Medtronic and Covidien, including, but not limited to, the impact of competition on the business of Medtronic, Covidien or the industry generally, industry growth, and the absence of any adverse material change in the financial condition and prospects of Medtronic, Covidien or the industry or in the financial markets in general, which could affect the public trading value of the companies and the aggregate value of the transactions to which they are being compared.

Precedent Premium Paid Analysis

Perella Weinberg reviewed the premiums paid in all acquisitions of publicly-traded companies, as provided by Dealogic, announced since January 1, 2010 with transaction values of $50 million or greater in which a greater than fifty percent stake was acquired in the target company. From this pool, the following three types of acquisitions were selected and grouped together: (a) acquisitions with mixed cash and stock consideration, (b) acquisitions with all stock consideration, and (c) merger of equals transactions. Perella Weinberg also reviewed the premiums paid in selected Healthcare transactions as a subgroup. Healthcare transactions were selected by identifying transactions where the target was categorized in the healthcare general industry group as defined by Dealogic.

For each of the transactions, based on publicly available information, Perella Weinberg calculated the premiums of the offer price in the transaction to the target company s closing stock price 30 days prior to the announcement of the transaction, and analyzed the first quartile high, median and third quartile low premiums each of the groups described above as well as for all the transactions as a group. The results of these analyses are summarized in the table below.

	Number of deals	Public Transactions Premiums Paid (%)		
		25th Percentile	Median	75th Percentile
All deals				
All industries	2,041	52	31	16
Healthcare	227	58	38	23
Mixed cash and stock				
All industries	238	45	31	19
Healthcare	27	42	31	20
All stock				
All industries	354	47	23	5
Healthcare	14	43	30	15
Merger of equals				
All industries	44	26	13	5
Healthcare	4	28	25	16

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Based on the precedent premium paid data, precedent transactions data, and experience and judgment of Perella Weinberg, and recognizing that no company or transaction is identical to Covidien or to the transaction, respectively, a representative range of premiums of 20% to 40% was selected and applied to the Covidien share price as of June 13, 2014. This analysis resulted in an implied value per ordinary share of Covidien ranging from approximately $86 to $101 per share.

Discounted Cash Flow Analysis

Covidien

Perella Weinberg conducted a discounted cash flow analysis for Covidien based on the Public Forecasts and the Adjusted Covidien Forecasts by:

- calculating, in each case, the present value as of June 13, 2014 of the estimated standalone unlevered free cash flows (calculated as adjusted earnings before interest payments after taxes plus depreciation and amortization, minus capital expenditures, and adjusting for changes in net working capital and other cash flows) that Covidien could generate for the remainder of fiscal year 2014 through fiscal year 2024 using discount rates ranging from 8.0% to 9.0% based on estimates of the weighted average cost of capital of Covidien derived using the Capital Asset Pricing Model (CAPM); and

- adding, in each case, terminal values calculated using perpetuity growth rates ranging from 2.0% to 3.0% and discounted using rates ranging from 8.0% to 9.0%.

The range of perpetuity growth rates was estimated by Perella Weinberg utilizing its professional judgment and experiences, taking into account the Adjusted Covidien Forecasts and Public Forecasts and market expectations regarding long-term real growth of gross domestic product and inflation. Perella Weinberg also cross-checked such estimates of perpetuity growth rates against the EBITDA multiples implied by such growth rates and a range of discount rates to be applied to Covidien s future unlevered cash flow forecasts.

Perella Weinberg used a range of discount rates from 8% to 9% derived by application of the Capital Asset Pricing Model, which takes into account certain company-specific metrics, including Covidien s target capital structure, the cost of long-term debt, forecasted tax rate and historical beta, as well as certain financial metrics for the United States financial markets generally.

From the range of implied enterprise values, Perella Weinberg derived ranges of implied equity values for Covidien in each case both with and without the addition of cost synergies (discounted at 8.0% to 9.0% and using perpetuity growth rates ranging from 2.0% to 3.0% based upon Anticipated Synergies). To calculate the implied equity value from the implied enterprise value, Perella Weinberg subtracted debt, non-operating liabilities and minority interest and added cash and cash equivalents. Perella Weinberg calculated implied value per share by dividing the implied equity value by the fully diluted shares (using the treasury method). These analyses resulted in the following reference ranges of implied equity values per ordinary share of Covidien:

	Range of Implied Present Value Per Share	**Range of Implied Present Value Per Share (including synergies)**

Public Forecasts	$72	$99	$90	$124
Adj. Covidien Forecasts	$80	$110	$99	$136

Medtronic

Perella Weinberg conducted a discounted cash flow analysis for Medtronic based on the Public Forecasts and the Medtronic Forecasts by:

calculating, in each case, the present value as of June 13, 2014 of the estimated standalone unlevered free cash flows (calculated as adjusted earnings before interest payments after taxes plus depreciation and

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amortization, minus capital expenditures, and adjusting for changes in net working capital and other cash flows) that Medtronic could generate for the remainder of fiscal year 2015 through fiscal year 2024 using discount rates ranging from 8.0% to 9.0% based on estimates of the weighted average cost of capital of Medtronic derived using CAPM, and

adding, in each case, terminal values calculated using perpetuity growth rates ranging from 2.0% to 3.0% and discounted using rates ranging from 8.0% to 9.0%.

The range of perpetuity growth rates was estimated by Perella Weinberg utilizing its professional judgment and experiences, taking into account the Medtronic Forecasts and Public Forecasts and market expectations regarding long-term real growth of gross domestic product and inflation. Perella Weinberg also cross-checked such estimates of perpetuity growth rates against the EBITDA multiples implied by such growth rates and a range of discount rates to be applied to Medtronic s future unlevered cash flow forecasts.

Perella Weinberg used a range of discount rates from 8% to 9% derived by application of the Capital Asset Pricing Model, which takes into account certain company-specific metrics, including Medtronic s target capital structure, the cost of long-term debt, forecasted tax rate and historical beta, as well as certain financial metrics for the United States financial markets generally.

From the range of implied enterprise values, Perella Weinberg derived ranges of implied equity values for Medtronic. To calculate the implied equity value from the implied enterprise value, Perella Weinberg subtracted debt, non-operating liabilities and minority interest and added cash and cash equivalents. Perella Weinberg calculated implied value per share by dividing the implied equity value by the fully diluted shares (using the treasury method). These analyses resulted in the following reference ranges of implied equity value per share of Medtronic common stock:

	Range of Implied Present Value Per Share	
Public Forecasts	$ 54	$72
Medtronic Forecasts	$ 62	$82

Miscellaneous

The preparation of a fairness opinion is a complex process and is not necessarily susceptible to partial analysis or summary description. Selecting portions of the analyses or of the summary set forth herein, without considering the analyses or the summary as a whole could create an incomplete view of the processes underlying Perella Weinberg s opinion. In arriving at its fairness determination, Perella Weinberg considered the results of all of its analyses and did not attribute any particular weight to any factor or analysis considered. Rather, Perella Weinberg made its determination as to fairness on the basis of its experience and professional judgment after considering the results of all of its analyses. No company or transaction used in the analyses described herein as a comparison is directly comparable to Medtronic, Covidien or the transaction.

Perella Weinberg prepared the analyses described herein for purposes of providing its opinion to the Medtronic board of directors as to the fairness, from a financial point of view, as of the date of such opinion, of the merger consideration of one New Medtronic share to be received for each share of Medtronic common stock (taking into account the acquisition of Covidien) as provided for in the Transaction Agreement to the holders of Medtronic common stock (other than Medtronic and its subsidiaries). These analyses do not purport to be appraisals or

necessarily reflect the prices at which businesses or securities actually may be sold. Perella Weinberg s analyses were based in part upon third party research analyst estimates, which are not necessarily indicative of actual future results, which may be significantly more or less favorable than suggested by Perella Weinberg s analyses. Because these analyses are inherently subject to uncertainty, being based upon numerous factors or events beyond the control of the parties to the Transaction Agreement or their respective advisors, none of Medtronic, Covidien, Perella Weinberg or any other person assumes responsibility if future results are materially different from those forecasted by third parties.

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As described above, the opinion of Perella Weinberg to the Medtronic board of directors was one of many factors taken into consideration by the Medtronic board of directors in making its determination to approve the transaction. Perella Weinberg was not asked to, and did not, recommend the specific consideration to the Medtronic shareholders provided for in the Transaction Agreement, which consideration was determined through arm s length negotiations between Medtronic and Covidien.

Pursuant to the terms of the engagement letter between Perella Weinberg and Medtronic dated as of May 11, 2014, Medtronic became obligated to pay Perella Weinberg $7 million upon the delivery of Perella Weinberg s opinion, and has agreed to pay Perella Weinberg an additional $29 million upon the closing of the transaction. In addition, Medtronic agreed to reimburse Perella Weinberg for its reasonable expenses, including attorneys fees and disbursements, and to indemnify Perella Weinberg and related persons against various liabilities, including certain liabilities under the federal securities laws.

In the ordinary course of its business activities, Perella Weinberg or its affiliates may at any time hold long or short positions, and may trade or otherwise effect transactions, for its own account or the accounts of customers or clients, in debt or equity or other securities (or related derivative securities) or financial instruments (including bank loans or other obligations) of Medtronic or Covidien or any of their respective affiliates. During the two-year period prior to the date of Perella Weinberg s opinion, no material relationship existed between Perella Weinberg and Medtronic or Covidien or their respective affiliates pursuant to which compensation was received by Perella Weinberg; however, Perella Weinberg and its affiliates may in the future provide investment banking and other financial services to Medtronic and Covidien and their respective affiliates and in the future may receive compensation for the rendering of such services.

Opinion of Covidien s Financial Advisor

Goldman Sachs delivered its opinion to Covidien s board of directors that, as of June 15, 2014 and based upon and subject to the factors and assumptions set forth therein, the scheme consideration to be paid pursuant to the Transaction Agreement was fair from a financial point of view to the holders (other than Medtronic and its affiliates) of Covidien ordinary shares. On October 20, 2014, Goldman Sachs confirmed to Covidien s board of directors that had Goldman Sachs performed its financial analyses set forth in its presentation to the board of directors of Covidien on June 15, 2014 on the basis of the Contemplated Funding Structure, there would have been no change to the conclusion set forth in its opinion. The confirmation did not address any circumstances, developments or events occurring after June 15, 2014, the date of the opinion, other than the Contemplated Funding Structure.

The full text of the written opinion of Goldman Sachs, dated June 15, 2014, which sets forth assumptions made, procedures followed, matters considered and limitations on the review undertaken in connection with its opinion, is attached as Annex F. The full text of the confirmation letter of Goldman Sachs, dated October 20, 2014, which sets forth assumptions made, procedures followed, matters considered and limitations on the review undertaken in connection with the letter, is attached as Annex G. Goldman Sachs provided its opinion and confirmation letter for the information and assistance of Covidien s board of directors in connection with its consideration of the transactions contemplated by the Transaction Agreement. Neither the Goldman Sachs opinion nor the Goldman Sachs confirmation letter is a recommendation as to how any holder of Covidien ordinary shares should vote with respect to the transaction or any other matter.

In connection with rendering the opinion described above and performing its related financial analyses, Goldman Sachs reviewed, among other things:

the Transaction Agreement;

the announcement of the transaction pursuant to Rule 2.5 of the Takeover Rules;

the expenses reimbursement agreement;

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annual reports to shareholders and Annual Reports on Form 10-K of Covidien and Medtronic for the five fiscal years ended the last Friday in September 2013 and the last Friday in April 2013, respectively;

certain interim reports to shareholders and Quarterly Reports on Form 10-Q of Covidien and Medtronic;

certain other communications from Covidien and Medtronic to their respective shareholders;

certain publicly available research analyst reports for Covidien and Medtronic;

certain internal financial analyses and forecasts for Covidien prepared by its management and certain internal financial analyses and forecasts for Medtronic prepared by its management, in each case, as approved for Goldman Sachs use by Covidien (which we refer to in this section as the Forecasts); and

certain operating synergies projected by the managements of Covidien and Medtronic to result from the transaction and approved for Goldman Sachs use by Covidien (which we refer to in this section as the Synergies).

Goldman Sachs also held discussions with members of the senior management of Covidien regarding their assessment of the past and current business operations, financial condition and future prospects of Covidien and Medtronic and the strategic rationale for, and the potential benefits of, the transaction; reviewed the reported price and trading activity for the Covidien ordinary shares and Medtronic common shares; compared certain financial and stock market information for Covidien and Medtronic with similar information for certain other companies the securities of which are publicly traded; reviewed the financial terms of certain recent business transactions in the medical devices industry and in other industries; and performed such other studies and analyses, and considered such other factors, as Goldman Sachs deemed appropriate.

For purposes of rendering the opinion described above, Goldman Sachs, with Covidien s consent, relied upon and assumed the accuracy and completeness of all of the financial, legal, regulatory, tax, accounting and other information provided to, discussed with or reviewed by, Goldman Sachs, without assuming any responsibility for independent verification thereof. In that regard, Goldman Sachs assumed with Covidien s consent that the Forecasts and the Synergies had been reasonably prepared on a basis reflecting the best currently available estimates and judgments of the management of Covidien. Goldman Sachs did not make an independent evaluation or appraisal of the assets and liabilities (including any contingent, derivative or other off-balance-sheet assets and liabilities) of Covidien, Medtronic or New Medtronic or any of their respective subsidiaries and Goldman Sachs was not furnished with any such evaluation or appraisal. Goldman Sachs has assumed that all governmental, regulatory or other consents and approvals necessary for the consummation of the transaction will be obtained without any adverse effect on Covidien, Medtronic or New Medtronic or on the expected benefits of the transaction in any way meaningful to its analysis. Goldman Sachs has assumed that the transaction will be consummated on the terms set forth in the Transaction Agreement, without the waiver or modification of any term or condition the effect of which would be in any way meaningful to its analysis.

Goldman Sachs opinion does not address the underlying business decision of Covidien to engage in the transaction, or the relative merits of the transaction as compared to any strategic alternatives that may be available to Covidien; nor does it address any legal, regulatory, tax or accounting matters. Goldman Sachs opinion addresses only the fairness from a financial point of view to the holders (other than Medtronic and its affiliates) of Covidien ordinary shares, as of

the date of the opinion, of the scheme consideration to be paid pursuant to the Transaction Agreement. Goldman Sachs does not express any view on, and its opinion does not address, any other term or aspect of the Transaction Agreement or transaction or any term or aspect of any other agreement or instrument contemplated by the Transaction Agreement or entered into or amended in connection with the transaction, including the fairness of the transaction to, or any consideration received in connection therewith by, the holders of any other class of securities, creditors or other constituencies of Covidien; nor as to the fairness of the amount or nature of any compensation to be paid or payable to any of the officers, directors or employees of Covidien, or any class of such persons, in connection with the transaction, whether relative to the scheme consideration to be paid to the holders (other than Medtronic and its affiliates) pursuant to the

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Transaction Agreement or otherwise. Goldman Sachs does not express any opinion as to the prices at which the New Medtronic ordinary shares will trade at any time or as to the impact of the transaction on the solvency or viability of Covidien, Medtronic or New Medtronic or the ability of Covidien, Medtronic or New Medtronic to pay their respective obligations when they come due. Goldman Sachs opinion was necessarily based on economic, monetary, market and other conditions as in effect on, and the information made available to Goldman Sachs as of, the date of the opinion and Goldman Sachs assumed no responsibility for updating, revising or reaffirming its opinion based on circumstances, developments or events occurring after the date of its opinion. Goldman Sachs opinion was approved by a fairness committee of Goldman Sachs.

The following is a summary of the material financial analyses delivered by Goldman Sachs to Covidien s board of directors in connection with rendering the opinion described above. The following summary, however, does not purport to be a complete description of the financial analyses performed by Goldman Sachs, nor does the order of analyses described represent the relative importance or weight given to those analyses by Goldman Sachs. Some of the summaries of the financial analyses include information presented in tabular format. The tables must be read together with the full text of each summary and are alone not a complete description of Goldman Sachs financial analyses. Except as otherwise noted, the following quantitative information, to the extent that it is based on market data, is based on market data as it existed on or before June 13, 2014, the last trading day prior to the date on which Covidien s board of directors approved the Transaction Agreement, and is not necessarily indicative of current market conditions.

Historical Stock Trading Analysis. Goldman Sachs analyzed the consideration to be paid to holders (other than Medtronic and its affiliates) of ordinary shares of Covidien pursuant to the Transaction Agreement, assuming a $93.22 value for such consideration (which we refer to in this section as the Implied Transaction Consideration, calculated as the cash consideration plus the implied stock consideration per ordinary share of Covidien based on the closing price of $60.70 per common share of Medtronic on June 13, 2014) in relation to the historical trading price of ordinary shares of Covidien. This analysis indicated that the Implied Transaction Consideration in the amount of $93.22 per ordinary share of Covidien represented:

a premium of 29.4% to the closing price of an ordinary share of Covidien of $72.02 on June 13, 2014;

a premium of 29.1% to the closing price of an ordinary share of Covidien of $72.18 on May 13, 2014;

a premium of 41.6% to the closing price of an ordinary share of Covidien of $65.81 on December 13, 2013;

a premium of 62.4% to the closing price of an ordinary share of Covidien of $57.41 on July 1, 2013, which is the first day after the completion of the 2013 separation of Mallinckrodt from Covidien;

a premium of 26.6% to the highest closing price of an ordinary share of Covidien of $73.66 since July 1, 2013, which is the first day after the completion of the 2013 separation of Mallinckrodt from Covidien;

a premium of 29.0% to the average closing price for the one-month period ended June 13, 2014 of an ordinary share of Covidien of $72.27;

a premium of 32.7% to the average closing price for the six-month period ended June 13, 2014 of an ordinary share of Covidien of $70.25; and

a premium of 40.0% to the average closing price for the period beginning on July 1, 2013 which is the first trading day after the completion of the 2013 separation of Mallinckrodt from Covidien, and ended June 13, 2014 of an ordinary share of Covidien of $66.58.

Goldman Sachs also compared the Implied Transaction Consideration to the Forecasts of Covidien s EBITDA (as defined below) for the calendar years 2014 and 2015 and to the Forecasts of Covidien s earnings per share for the calendar years 2014-2016. This analysis indicated that the Implied Transaction Consideration of Covidien represented:

a multiple of 15.8x to the estimated calendar year 2014 EBITDA of Covidien of approximately $3.0 billion;

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a multiple of 14.4x to the estimated calendar year 2015 EBITDA of Covidien of approximately $3.2 billion;

a multiple of 22.5x to the estimated calendar year 2014 earnings per share of Covidien of approximately $4.13;

a multiple of 20.2x to the estimated calendar year 2015 earnings per share of Covidien of approximately $4.61; and

a multiple of 18.1x to the estimated calendar year 2016 earnings per share of Covidien of approximately $5.16.

Selected Companies Analysis. Goldman Sachs reviewed and compared certain financial and stock market information and public market multiples for Covidien to corresponding financial and stock market information and public market multiples for the following publicly traded corporations in the medical device industry:

Baxter International Inc.

Becton, Dickinson and Company

CareFusion Corp.

CR Bard, Inc.

Johnson & Johnson

Medtronic

Abbott Laboratories

Stryker Corp.

St. Jude Medical, Inc.

Boston Scientific Corp.

Zimmer Holdings, Inc.

This analysis was undertaken in order to assist Goldman Sachs and Covidien s board of directors in understanding how the various companies within the medical device industry were then currently trading with respect to certain commonly used financial metrics and in understanding if the shares of Covidien were trading at a relative premium or discount to such companies.

Although none of the selected companies is directly comparable to Covidien, the companies included were chosen because they are publicly traded companies with operations that for purposes of analysis may be considered similar to certain operations of Covidien.

The estimates for earnings per share and for earnings before interest, taxes, depreciation and amortization (EBITDA) contained in the analysis set forth below were based on Institutional Brokers Estimate System (IBES) consensus estimates as of June 13, 2014.

In its analysis, Goldman Sachs derived and compared for Covidien and the selected companies:

- enterprise value (which is defined as fully diluted equity value plus total debt, less total cash and cash equivalents), as of June 13, 2014, as a multiple of estimated EBITDA for calendar year 2014, which is referred to below as 2014E EV/EBITDA ;

- price per share, as of June 13, 2014, as a multiple of estimated earnings per share for calendar year 2014, which is referred to below as 2014E P/E ; and

- price per share, as of June 13, 2014, as a multiple of estimated earnings per share for calendar year 2015, which is referred to below as 2015E P/E.

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For purposes of these calculations, Goldman Sachs utilized an equity value for each company derived by multiplying the number of fully diluted outstanding shares (including convertible securities and options) by the company s closing share price on June 13, 2014. Goldman Sachs then added the net debt to the equity value of such company derived from the foregoing calculations to determine an enterprise value for each company. The results of these analyses are summarized as follows:

	2014E EV/EBITDA	2014E P/E	2015E P/E
Baxter	10.3x	14.2x	13.4x
Becton Dickinson	10.9x	18.4x	16.9x
CR Bard	12.0x	16.6x	15.1x
Johnson & Johnson	11.5x	17.5x	16.2x
Medtronic	9.8x	15.3x	14.3x
Abbott	11.5x	18.0x	16.1x
Stryker	11.6x	17.3x	15.8x
St. Jude Medical	12.2x	16.4x	15.1x
Boston Scientific	12.3x	16.0x	14.3x
Zimmer	10.0x	17.3x	16.2x
CareFusion	9.8x	17.1x	15.2x
Range of the Selected Companies (excluding Covidien and Medtronic)	9.8x 12.3x	14.2x 18.4x	13.4x 16.9x
Median of the Selected Companies (excluding Covidien and Medtronic)	11.5x	17.2x	15.5x

Premia Paid Analysis. Goldman Sachs reviewed and analyzed the acquisition premia for all transactions announced or completed from June 13, 2004 to June 13, 2014 involving publicly traded targets in which the consideration consisted of a mix of stock and cash and for which the enterprise value implied by the purchase price paid in the acquisition exceeded $20 billion (excluding transactions with undisclosed value, spin-offs, recapitalizations, self-tender offers, repurchases, exchange offers and transactions in which a company was acquiring the remaining minority stake in a target company which it did not already own), calculated relative to the target s closing price one day prior to the announcement of the relevant transaction, the target s closing price one month prior to the announcement of the relevant transaction and the target s 52-week high price. The following table presents the results of this analysis:

Median Historical Merger Premia

Transaction-type	1-Day Premium	1-Month Premium	52-Week High Premium
All Industries	26.2%	29.4%	10.3%
Healthcare	26.1%	30.2%	9.1%
Transaction Agreement	29.4%	29.1%	26.6%

Goldman Sachs also reviewed and analyzed the acquisition premia for all transactions announced or completed since 2009 involving publicly traded targets in which the consideration consisted of a mix of stock and cash and for which the enterprise value implied by the purchase price paid in the acquisition exceeded $1 billion (excluding transactions with undisclosed value, spin-offs, recapitalizations, self-tender offers, repurchases, exchange offers and transactions in which a company was acquiring the remaining minority stake in a target company which it did not already own), calculated relative to the target s closing price one day prior to the announcement of the relevant transaction. The

following table presents the results of this analysis:

Average Acquisition Premia 1-Day Prior to Announcement of Transaction	
2009	45%
2010	43%
2011	35%
2012	34%
2013	23%
2014 YTD	28%

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Illustrative Present Value of Future Share Price Analyses. Goldman Sachs performed an illustrative analysis of the implied present value of the future share price (including projected future dividends) of Covidien, which is designed to provide an indication of the present value of a theoretical future value of Covidien s equity as a function of Covidien s estimated future earnings and its assumed price to future earnings per share multiple. Goldman Sachs also performed an illustrative analysis of the implied per share present value of the scheme consideration to be paid to holders of ordinary shares of Covidien pursuant to the Transaction Agreement (taking into account an analysis of the implied present value of the future share price of New Medtronic and the cash portion of such consideration). For these analyses, Goldman Sachs used the Forecasts for fiscal years 2015-2019.

For ordinary shares of Covidien, Goldman Sachs performed an analysis of the illustrative present value of the future share price (including projected future dividends) by first multiplying the Forecasts of cash EPS for fiscal years 2015-2019 by an illustrative range of next-twelve-months P/E multiples of 14.5x to 18.5x to determine the implied equity value of ordinary shares of Covidien. These implied per share future equity values for the fiscal years ending on the last Friday of September in 2015-2019 were then discounted to March 31, 2014 (dividends discounted using a mid-year convention) using a discount rate of 9.8%, reflecting an estimate of Covidien s cost of equity. This analysis yielded an illustrative range of implied per share present values of ordinary shares of Covidien of $62.64 to $89.36 for fiscal years 2015-2019.

For shares of New Medtronic, Goldman Sachs performed an analysis of the illustrative implied present value of the future share price (including Medtronic dividends and value from Covidien shares based on an exchange ratio of 0.9560x) of New Medtronic for 2015-2019 by using the Forecasts, the Synergies and pro forma blended next-twelve-months P/E multiples of 13.5x to 16.5x (blended based on the weighted average net incomes of Medtronic and Covidien). The implied per share future equity values for the years ending April 30, 2015-2019 were discounted to March 31, 2014 (dividends discounted using a mid-year convention) using a discount rate of 9.4%, reflecting an estimate of New Medtronic s market capitalization weighted average cost of equity. These present values were then multiplied by 0.9560 and increased by $35.19, reflecting the share portion and the cash portion, respectively, of the scheme consideration to be received by holders of ordinary shares of Covidien pursuant to the Transaction Agreement. This analysis yielded an illustrative range of implied per share present values of the scheme consideration to be paid to holders of ordinary shares of Covidien pursuant to the Transaction Agreement (taking into account the analysis of the implied present value of the future share price of New Medtronic described in this paragraph and the cash portion of such consideration) of $94.53 to $117.82 for fiscal years 2015-2019.

Illustrative Discounted Cash Flow Analysis. Goldman Sachs performed an illustrative discounted cash flow analysis on Covidien, using the Forecasts, to determine a range of illustrative present values per ordinary share of Covidien on a standalone basis. This analysis was undertaken to assist Covidien s board of directors in understanding how Medtronic s proposal, converted into an implied per share cash value, might compare to Covidien s projections of its stand-alone future cash flows. Using illustrative discount rates ranging from 8.0% to 9.0%, reflecting estimates of Covidien s weighted average cost of capital, Goldman Sachs derived illustrative ranges of implied enterprise values for Covidien by discounting to present values as of March 31, 2014 (a) estimates of Covidien s unlevered free cash flows for (a) the six-month period ending on the last Friday in September 2014, (b) the years 2015 through 2019 based on the Forecasts and (c) illustrative terminal values as of the last Friday in September 2019 based on perpetuity growth rates ranging from 1.0% to 2.0%. Goldman Sachs then derived the implied equity value per ordinary share of Covidien by deducting the value of Covidien s net debt as of March 28, 2014, and dividing the result by the number of fully diluted outstanding ordinary shares of Covidien in accordance with information provided by Covidien s management. The analysis resulted in a range of illustrative values of $71.85 to $94.02 per Covidien ordinary share.

Goldman Sachs also performed an illustrative discounted cash flow analysis on New Medtronic, using the Forecasts and the Synergies, to determine a range of illustrative present values per ordinary share of New Medtronic on a pro

forma basis. Using illustrative discount rates ranging from 8.0% to 9.0%, reflecting estimates of New Medtronic s weighted average cost of capital, Goldman Sachs derived illustrative ranges of implied

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enterprise values for New Medtronic by discounting to present values as of March 31, 2014 (a) estimates of the unlevered free cash flows of Covidien, Medtronic and the Synergies for (a) the years 2015 through 2019 based on the Forecasts and (b) illustrative terminal values as of April 30, 2019 based on perpetuity growth rates ranging from 1.0% to 2.0%. Goldman Sachs then derived the implied equity value per ordinary share of New Medtronic by deducting the value of Covidien s net debt as of March 28, 2014 and Medtronic s net debt as of April 30, 2014 (adjusted for the transaction on a pro forma basis in accordance with information provided by Covidien management), and dividing the result by the number of fully diluted ordinary shares of New Medtronic in accordance with information provided by Covidien s management. Goldman Sachs then derived the implied value of the per share scheme consideration to be paid to holders of ordinary shares of Covidien pursuant to the Transaction Agreement, calculated as the cash consideration of $35.19 plus 0.9560 of the implied equity value per share for New Medtronic. This analysis resulted in an illustrative range of present values of the per share scheme consideration to holders of ordinary shares of Covidien of $98.14 to $118.84.

The range of perpetuity growth rates was estimated by Goldman Sachs utilizing its professional judgment and experiences, taking into account the Forecasts and market expectations regarding long-term real growth of gross domestic product and inflation. Goldman Sachs also cross-checked such estimates of perpetuity growth rates against the EBITDA multiples that are implied by such growth rates and a range of discount rates to be applied to Covidien s future unlevered cash flow forecasts.

Goldman Sachs used a range of discount rates from 8% to 9% derived by application of the Capital Asset Pricing Model, which takes into account certain company-specific metrics, including the company s target capital structure, the cost of long-term debt, after-tax yield on permanent excess cash, if any, forecast tax rate and historical beta, as well as certain financial metrics for the United States financial markets generally.

Illustrative Potential Per Share Value of the Scheme Consideration. Goldman Sachs calculated an illustrative range of pro forma values of the per share scheme consideration to be paid to holders of ordinary shares of Covidien pursuant to the Transaction Agreement, using the Forecasts. This analysis was designed to provide an indication of the present value of the per share scheme consideration based on (i) the present values of a theoretical future value of New Medtronic s equity as a function of New Medtronic s estimated future earnings and its assumed price to future earnings per share multiple plus (ii) the cash portion of the scheme consideration. Goldman Sachs calculated an illustrative range of the pro forma values of the share portion of the scheme consideration as of April 30, 2015 based on (i) pro forma New Medtronic cash earnings per share for 2016 of $4.99 and (ii) next twelve months cash price to earnings multiples of (a) Covidien of 15.3x, (b) Medtronic of 13.8x and (c) New Medtronic of 14.3x (blended based on the weighted average net incomes of Medtronic and Covidien). Goldman Sachs then multiplied the illustrative range of the pro forma values of the share portion of the scheme consideration by the exchange ratio of 0.9560x. Goldman Sachs then added the cash portion of the scheme consideration of $35.19 to the illustrative range of the pro forma values of the share portion of the scheme consideration to calculate an illustrative range of pro forma values of the per share scheme consideration. The illustrative range of pro forma values of the per share scheme consideration was then discounted to June 15, 2014 using a discount rate of 9.4%, reflecting an estimate of Covidien s and Medtronic s market capitalization weighted average cost of equity. This analysis resulted in an illustrative range of pro forma values of the per share scheme consideration of $93.31 to $99.92.

The preparation of a fairness opinion is a complex process and is not necessarily susceptible to partial analysis or summary description. Selecting portions of the analyses or of the summary set forth above, without considering the analyses as a whole, could create an incomplete view of the processes underlying Goldman Sachs opinion. In arriving at its fairness determination, Goldman Sachs considered the results of all of its analyses and did not attribute any particular weight to any factor or analysis considered by it. Rather, Goldman Sachs made its determination as to fairness on the basis of its experience and professional judgment after considering the results of all of its analyses. No

company or transaction used in the above analyses as a comparison is directly comparable to Covidien or Medtronic or the transaction.

Goldman Sachs prepared these analyses for purposes of Goldman Sachs providing its opinion to Covidien s board of directors as to the fairness from a financial point of view of the scheme consideration to be paid

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pursuant to the Transaction Agreement to the holders (other than Medtronic and its affiliates) of Covidien ordinary shares. These analyses do not purport to be appraisals nor do they necessarily reflect the prices at which businesses or securities actually may be sold. Analyses based upon forecasts of future results are not necessarily indicative of actual future results, which may be significantly more or less favorable than suggested by these analyses. Because these analyses are inherently subject to uncertainty, being based upon numerous factors or events beyond the control of the parties or their respective advisors, none of Covidien, Medtronic, New Medtronic or Goldman Sachs or any other person assumes responsibility if future results are materially different from those forecast.

The scheme consideration was determined through arm s length negotiations between Covidien and Medtronic and was approved by Covidien s board of directors. Goldman Sachs provided advice to Covidien during these negotiations. Goldman Sachs did not, however, recommend to Covidien or to Covidien s board of directors any specific exchange ratio or that any specific exchange ratio constituted the only appropriate exchange ratio for the transaction.

As described above, Goldman Sachs opinion to Covidien s board of directors was one of many factors taken into consideration by Covidien s board of directors in making its determination to approve the Transaction Agreement. The foregoing summary does not purport to be a complete description of the analyses performed by Goldman Sachs in connection with the fairness opinion and is qualified in its entirety by reference to the written opinion of Goldman Sachs attached as Annex F.

Goldman Sachs and its affiliates are engaged in advisory, underwriting and financing, principal investing, sales and trading, research, investment management and other financial and non-financial activities and services for various persons and entities. Goldman Sachs and its affiliates and employees, and funds or other entities they manage or in which they invest or have other economic interests or with which they co-invest, may at any time purchase, sell, hold or vote long or short positions and investments in securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments of Covidien, Medtronic and any of their respective affiliates and third parties, or any currency or commodity that may be involved in the transactions contemplated by the Transaction Agreement. Goldman Sachs acted as financial advisor to Covidien in connection with, and participated in certain of the negotiations leading to, the transaction. Goldman Sachs expects to receive a transaction fee for its services in connection with the transaction, all of which is contingent upon consummation of the transaction, and Covidien has agreed to reimburse Goldman Sachs expenses arising, and indemnify Goldman Sachs against certain liabilities that may arise, out of Goldman Sachs engagement. Goldman Sachs also has provided certain financial advisory and/or underwriting services to Covidien and/or its affiliates from time to time for which the Investment Banking Division of Goldman Sachs has received, and may receive, compensation, including having acted as joint bookrunner on an offering of the Company s 3.5% Senior Notes due 2018 and 4.75% Senior Notes due 2023 (aggregate principal amount of $900 million) in April 2013 and as advisor to the Company on the 2013 separation of Mallinckrodt from Covidien. Goldman Sachs also has provided certain financial advisory and/or underwriting services to Medtronic and/or its affiliates from time to time for which our Investment Banking Division has received, and may receive, compensation, including having acted as joint bookrunner on an offering of Medtronic s 1.375% Senior Notes due 2018, 2.750% Senior Notes due 2023 and 4.000% Senior Notes due 2043 (aggregate principal amount of $3 billion) in March 2013, and as joint bookrunner on an offering of Medtronic s Floating Rate Senior Notes due 2017, 0.875% Senior Notes due 2017, 3.625% Senior Notes due 2024 and 4.625% Senior Notes due 2044 (aggregate principal amount of $2 billion) in February 2014. During the two-year period ended June 15, 2014, the Investment Banking Division of Goldman Sachs has received compensation for financial advisory and/or underwriting services provided to Covidien and/or its affiliates of approximately $9.0 million. Goldman Sachs may also in the future provide financial advisory and/or underwriting services to Covidien, Medtronic, New Medtronic and their respective affiliates for which the Investment Banking Division of Goldman Sachs may receive compensation.

Covidien s board of directors selected Goldman Sachs as its financial advisor because Goldman Sachs is an internationally recognized investment banking firm that has substantial experience in transactions similar to the transaction. Pursuant to a letter agreement, dated June 5, 2014, Covidien engaged Goldman Sachs to act as

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financial advisor in connection with the transaction. Pursuant to the terms of this engagement letter, Covidien has agreed to pay Goldman Sachs a transaction fee based on the aggregate consideration paid in the transaction, which as of the date of this joint proxy statement/prospectus is estimated to be approximately $58 million, all of which is contingent upon consummation of the transaction. In addition, Covidien has agreed to reimburse Goldman Sachs for certain of its expenses, including attorneys fees and disbursements, and to indemnify Goldman Sachs and related persons against various liabilities, including certain liabilities under the federal securities laws.

Medtronic Unaudited Prospective Financial Information

Medtronic does not make public long-term projections as to future revenues, earnings or other results due to, among other reasons, the uncertainty of the underlying assumptions and estimates. However, in connection with Medtronic s and Covidien s evaluation of the transaction, Medtronic made available certain unaudited prospective financial information relating to Medtronic on a stand-alone, pre-transaction basis to Medtronic s financial advisor, Covidien and Covidien s financial advisor. In addition, Medtronic made available to Medtronic s financial advisor certain unaudited prospective financial information relating to Covidien as adjusted by Medtronic. The unaudited prospective financial information was not prepared with a view toward public disclosure and the inclusion of this information should not be regarded as an indication that any of Medtronic, Covidien or any other recipient of this information considered, or now considers, it to be necessarily predictive of actual future results.

The unaudited prospective financial information was, in general, prepared solely for internal use and is subjective in many respects and thus subject to interpretation. While presented with numeric specificity, the unaudited prospective financial information reflects numerous estimates and assumptions made by the management of Medtronic with respect to industry performance and competition, general business, economic, market and financial conditions and matters specific to Medtronic s business (or, in the case of the adjusted prospective financial information relating to Covidien, Covidien s business), all of which are difficult to predict and many of which are beyond Medtronic s control. In particular, the unaudited prospective financial information assumed, among other things, modest revenue growth in most of Medtronic s current markets, continued high growth in emerging markets, and incremental growth from new products and new service introductions; that expected cost reductions would be sufficient to maintain close to constant gross margins; modest leverage in selling, general, and administrative expenses; and that R&D costs would increase as a percentage of revenue. Many of these assumptions are subject to change and the unaudited prospective financial information does not reflect revised prospects for Medtronic s business (or, in the case of the adjusted prospective financial information relating to Covidien, Covidien s business), changes in general business or economic conditions or any other transaction or event that has occurred or that may occur and that was not anticipated at the time such financial information was prepared. As a result, there can be no assurance that the results reflected in the unaudited prospective financial information will be realized or that actual results will not materially vary from this unaudited prospective financial information. In addition, since the unaudited prospective financial information covers multiple years, such information by its nature becomes less predictive with each successive year. Therefore, the inclusion of the unaudited prospective financial information in this joint proxy statement/prospectus should not be relied on as necessarily predictive of actual future events nor construed as financial guidance. Medtronic shareholders and Covidien shareholders are urged to review the section included herein entitled *Risk Factors Risks Relating to Medtronic s Business* for a description of risk factors with respect to Medtronic s business and see Covidien s most recent Annual Report on Form 10-K and subsequent Quarterly Reports on Form 10-Q for a description of risk factors relating to Covidien s business. See *Cautionary Statement Regarding Forward-Looking Statements* and *Where You Can Find More Information*.

The unaudited prospective financial information was not prepared with a view toward complying with the published guidelines of the SEC regarding projections or the guidelines established by the American Institute of Certified Public Accountants for preparation and presentation of prospective financial information but, in the view of Medtronic s

management, was prepared on a reasonable basis, reflects the best available estimates and judgments at the time of preparation, and presents, to the best of management s knowledge and belief at the time

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of preparation, the expected course of action and the expected future financial performance of Covidien. Neither Medtronic s independent registered public accounting firm, nor any other independent accountants, have compiled, examined, or performed any procedures with respect to the unaudited prospective financial information contained herein (including the unaudited prospective financial information presented below under the heading *Covidien Unaudited Prospective Financial Information*), nor have they expressed any opinion or any other form of assurance on such information or the achievability of the results reflected in such information, and assume no responsibility for, and disclaim any association with, the unaudited prospective financial information. Accordingly, neither Medtronic s independent registered public accounting firm, nor any other independent accountants, provide any form of assurance with respect thereto for the purpose of this joint proxy statement/prospectus.

The report of the independent registered public accounting firm of Medtronic contained in this joint proxy statement/prospectus relates to the historical financial information of Medtronic. It does not extend to the unaudited prospective financial information included in this joint proxy statement/prospectus and should not be read to do so.

Readers of this joint proxy statement/prospectus are cautioned not to unduly rely on the unaudited prospective financial information. Some or all of the assumptions which have been made regarding, among other things, the timing of certain occurrences or impacts, may have changed since the date such information was prepared. Medtronic has not updated and does not intend to update or otherwise revise the unaudited prospective financial information to reflect circumstances existing after the date when such information was prepared or to reflect the occurrence of future events, except to the extent required by applicable law. Medtronic has made no representation to Covidien or any other person in the Transaction Agreement or otherwise concerning the unaudited prospective financial information.

The unaudited prospective financial information set forth below does not give effect to the transaction. Medtronic shareholders and Covidien shareholders are urged to review the section included herein entitled *Medtronic Management s Discussion and Analysis of Financial Condition and Results of Operation* for a description of Medtronic s reported results of operations, financial condition and capital resources during 2014.

The following table presents a summary of certain unaudited prospective financial information relating to Medtronic that Medtronic made available to Medtronic s financial advisor (and that Medtronic s financial advisor used, with Medtronic s approval, for purposes of its fairness opinion) and, with respect to Revenue, earnings before interest and taxes (EBIT) and EBITDA information for 2015 through 2018, to Covidien and its financial advisor:

	For the fiscal year ending the last Friday of April,				
In billions (except per share data)	**2015E**	**2016E**	**2017E**	**2018E**	**2019E**
Revenue	$ 18.1	$ 19.2	$ 20.4	$ 21.8	$ 23.3
EBIT	$ 5.5	$ 5.8	$ 6.3	$ 6.7	$ 7.2
EBITDA	$ 6.3	$ 6.7	$ 7.2	$ 7.7	$ 8.3
Unlevered free cash flow	$ 3.3	$ 3.5	$ 3.7	$ 4.0	$ 4.3

The following table presents a summary of certain unaudited prospective financial information relating to Covidien as adjusted by Medtronic that Medtronic made available to Medtronic s financial advisor, and that Medtronic s financial advisor used, with Medtronic s approval, for purposes of its fairness opinion:

	For the fiscal year ending the last Friday of September,					
In billions (except per share data)	**2014E**	**2015E**	**2016E**	**2017E**	**2018E**	**2019E**

Revenue	$ 10.7	$ 11.3	$ 11.8	$ 12.5	$ 13.2	$ 13.9
EBIT	$ 2.4	$ 2.7	$ 2.9	$ 3.2	$ 3.5	$ 3.7
EBITDA	$ 3.0	$ 3.3	$ 3.5	$ 3.8	$ 4.2	$ 4.4
Unlevered free cash flow	$ 1.7	$ 2.0	$ 2.1	$ 2.3	$ 2.6	$ 2.7

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For purposes of its analysis of Covidien, Medtronic utilized unaudited prospective estimates of revenue and EBIT as provided by Covidien in April 2014 for Covidien s fiscal years 2014 through 2018 from the Covidien Strategic Plan (as defined below) as well as updated unaudited prospective estimates of revenue and EBIT for Covidien s fiscal years 2014 and 2015 as provided by Covidien in early May 2014. To develop the adjusted unaudited prospective financial information for Covidien set forth in the immediately preceding table, Medtronic adjusted and extrapolated from the estimates provided by Covidien to take into account events that had occurred since Covidien prepared the Covidien Strategic Plan in July 2013 and to factor in differences in the views of Medtronic s management regarding the competitive landscape and the fundamental market growth rates of Covidien s business segments as compared to the views of Covidien s management. These adjustments and extrapolations were based on discussions with Covidien regarding Covidien s business, a review of the Covidien Strategic Plan, a review of Covidien s updated unaudited estimates of revenue and EBIT for Covidien s fiscal years 2014 and 2015 as provided by Covidien in early May 2014, Medtronic s views on certain macro-economic and industry trends, a review of Covidien s historical financial performance and a review of publicly available reports prepared by Wall Street analysts that cover Covidien. Medtronic derived adjusted unaudited prospective estimates of Covidien s unlevered free cash flow based upon the unaudited prospective estimates of EBIT for Covidien, as adjusted and extrapolated by Medtronic as described in the prior sentence, certain information made available to Medtronic and its financial advisor by Covidien in early May 2014, the Covidien Strategic Plan, and certain publicly available historical information regarding the amounts of Covidien s depreciation and amortization, working capital, capital expenditures and tax rates. See *Covidien Unaudited Prospective Financial Information*.

The Irish Takeover Panel considers the prospective financial information for Medtronic for each of the five fiscal years ending 2019, and for Covidien for the six fiscal years ending 2019, in each case as set out above and used by Perella Weinberg in connection with its financial analyses for the purpose of preparing its fairness opinion, to be profit forecasts within the meaning of Rule 28 of the Irish Takeover Rules. However, the Irish Takeover Panel decided to waive the requirement under Rule 28.3 to have the prospective financial information for Medtronic for the fiscal years ending 2016 to 2019 and the prospective financial information for Covidien for the fiscal years ending 2015 to 2019 (respectively, the Medtronic Forecasts and the Covidien-Adjusted Forecasts , and together, the Medtronic and Covidien-Adjusted Forecasts) examined and reported on by Medtronic s reporting accountants, PricewaterhouseCoopers, as a result of the following exceptional circumstances:

(i) the prospective financial information comprising the Medtronic and Covidien-Adjusted Forecasts is only included in this joint proxy statement/prospectus as it is required to be included pursuant to SEC regulations;

(ii) the prospective financial information comprising the Medtronic and Covidien-Adjusted Forecasts was not prepared as part of either Medtronic s or Covidien s normal budgeting process and therefore does not meet the exacting criteria of profit forecasts within the meaning of Rule 28 of the Irish Takeover Rules; and

(iii) PricewaterhouseCoopers has confirmed that they would be unable, as reporting accountants, to provide the profit forecast reports required under Rule 28.3 of the Irish Takeover Rules in respect of the Medtronic and Covidien-Adjusted Forecasts.

While the prospective financial information comprising the Medtronic and Covidien-Adjusted Forecasts has not been reported upon in accordance with Rule 28 of the Irish Takeover Rules, your attention is drawn to both the Medtronic Profit Forecast (as defined on page 473) for the year ending April 24, 2015 included in Medtronic s public statement on November 18, 2014, within its second quarter earnings release for fiscal year 2015, as set out on page 473 of this

joint proxy statement/prospectus, which has been reported on in accordance with Rule 28 of the Irish Takeover Rules, and also to the Covidien Profit Forecast (as defined on page 475) for the year ending September 26, 2014 included in Covidien s public press release issued on December 16, 2013, as updated in its first quarter earnings release issued on January 24, 2014, and its second quarter earnings release issued on April 25, 2014, as set out on page 475 of this joint proxy statement/prospectus, which has been reported upon in accordance with Rule 28 of the Irish Takeover Rules. Please see page 473 for further discussion on the Medtronic Profit Forecast, and page 475 for further discussion on the Covidien Profit Forecast, including their respective underlying bases and assumptions.

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Covidien Unaudited Prospective Financial Information

Covidien does not make public long-term projections as to future revenues, earnings or other results due to, among other reasons, the uncertainty of the underlying assumptions and estimates. However, in connection with Covidien s and Medtronic s evaluation of the transaction, Covidien made available certain unaudited prospective financial information relating to Covidien on a stand-alone, pre-transaction basis to Covidien s financial advisor, Medtronic and Medtronic s financial advisor. The unaudited prospective financial information was not prepared with a view toward public disclosure and the inclusion of this information should not be regarded as an indication that any of Covidien, Medtronic or any other recipient of this information considered, or now considers, it to be necessarily predictive of actual future results.

The unaudited prospective financial information was, in general, prepared solely for internal use and is subjective in many respects and thus subject to interpretation. While presented with numeric specificity, the unaudited prospective financial information reflects numerous estimates and assumptions made by the management of Covidien with respect to industry performance and competition, general business, economic, market and financial conditions and matters specific to Covidien s business, all of which are difficult to predict and many of which are beyond Covidien s control. In particular, the unaudited prospective financial information assumed, among other things, that the then-current macro-economic outlook would remain constant; that Covidien s revenue growth over the period covered would exceed market growth rates; that Covidien s strategic growth plan, in particular in emerging markets, would be successfully executed; that gross margins would improve, driven by favorable product mix, partially offset by price degradation consistent with historical trends; that research and development expenses would be maintained at 5% of revenues; that a reduction in selling, general and administrative expenses as a percentage of sales would be achieved; that there would be no change to Covidien s capital structure; and that Covidien s effective tax rate would slightly decline over time. Many of these assumptions are subject to change and the unaudited prospective financial information does not reflect revised prospects for Covidien s business, changes in general business or economic conditions or any other transaction or event that has occurred or that may occur and that was not anticipated at the time such financial information was prepared. As a result, there can be no assurance that the results reflected in the unaudited prospective financial information will be realized or that actual results will not materially vary from this unaudited prospective financial information. In addition, since the unaudited prospective financial information covers multiple years, such information by its nature becomes less predictive with each successive year. Therefore, the inclusion of the unaudited prospective financial information in this joint proxy statement/prospectus should not be relied on as necessarily predictive of actual future events nor construed as financial guidance. Covidien shareholders and Medtronic shareholders are urged to review Covidien s most recent Annual Report on Form 10-K and subsequent Quarterly Reports on Form 10-Q for a description of risk factors with respect to Covidien s business. See *Cautionary Statement Regarding Forward-Looking Statements* and *Where You Can Find More Information*.

The unaudited prospective financial information was not prepared with a view toward complying with the published guidelines of the SEC regarding projections or the guidelines established by the American Institute of Certified Public Accountants for preparation and presentation of prospective financial information, but, in the view of Covidien s management, was prepared on a reasonable basis, reflects the best available estimates and judgments at the time of preparation, and presents, to the best of management s knowledge and belief at the time of preparation, the expected course of action and the expected future financial performance of Covidien. Neither Covidien s independent registered public accounting firm, nor any other independent accountants, have compiled, examined, or performed any procedures with respect to the unaudited prospective financial information contained herein (including the unaudited prospective financial information presented below under the heading *Medtronic Unaudited Prospective Financial Information*), nor have they expressed any opinion or any other form of assurance on such information or the achievability of the results reflected in such information, and assume no responsibility for, and disclaim any association with, the unaudited prospective financial information. Accordingly, neither Covidien s independent

registered public accounting firm, nor any other independent accountants, provide any form of assurance with respect thereto for the purpose of this joint proxy statement/prospectus.

The report of the independent registered public accounting firm of Covidien contained in Covidien s Current Report on Form 8-K filed with the SEC on July 11, 2014 relates to the historical financial information of

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Covidien. It does not extend to the unaudited prospective financial information included in this joint proxy statement/prospectus and should not be read to do so.

Readers of this joint proxy statement/prospectus are cautioned not to unduly rely on the unaudited prospective financial information. Some or all of the assumptions which have been made regarding, among other things, the timing of certain occurrences or impacts, may have changed since the date such information was prepared. Covidien has not updated and does not intend to update or otherwise revise the unaudited prospective financial information to reflect circumstances existing after the date when such information was prepared or to reflect the occurrence of future events, except to the extent required by applicable law. Covidien has made no representation to Medtronic or any other person in the Transaction Agreement or otherwise concerning the unaudited prospective financial information.

The unaudited prospective financial information set forth below does not give effect to the transaction. Covidien shareholders and Medtronic shareholders are urged to review Covidien s most recent SEC filings for a description of Covidien s reported results of operations, financial condition and capital resources during 2014.

In April 2014, Covidien provided to Medtronic and Medtronic s financial advisor, as well as to Covidien s financial advisor, certain unaudited prospective financial information that Covidien had prepared in connection with its strategic planning process in July 2013 (the Covidien Strategic Plan), which is set forth in the table below.

	For the fiscal year ending the last Friday of September,				
In millions	**2014E**	**2015E**	**2016E**	**2017E**	**2018E**
Revenue	$ 10,791	$ 11,427	$ 12,184	$ 13,101	$ 14,162
Operating income (EBIT)	$ 2,432	$ 2,630	$ 2,903	$ 3,262	$ 3,693

In early May 2014, Covidien provided to Medtronic and Medtronic s financial advisor, as well as to Covidien s financial advisor, the following updated unaudited prospective financial information for fiscal year 2014: revenue of $10,691 million and operating income (EBIT) of $2,367 million, and the following updated unaudited prospective financial information for fiscal year 2015: revenue of $11,298 million and operating income (EBIT) of $2,685 million.

Subsequently, in mid-May 2014, Covidien provided its financial advisor certain updated unaudited prospective financial information for Covidien summarized below, which Covidien s financial advisor used, with Covidien s approval, for purposes of its fairness opinion:

	For the fiscal year ending the last Friday of September,					
In millions (except per share data)	**2014E**	**2015E**	**2016E**	**2017E**	**2018E**	**2019E**
Revenue	$ 10,691	$ 11,269	$ 11,808	$ 12,365	$ 12,958	$ 13,593
Operating income (EBIT)	$ 2,367	$ 2,633	$ 2,907	$ 3,207	$ 3,529	$ 3,868
EBITDA	$ 2,906	$ 3,173	$ 3,447	$ 3,747	$ 4,069	$ 4,408
Earnings per share	$ 4.02	$ 4.48	$ 5.01	$ 5.59	$ 6.23	$ 6.86
Unlevered free cash flow	$ 688*	$ 2,088	$ 2,351	$ 2,602	$ 2,865	$ 3,127

* Second half FY2014E only.

The Irish Takeover Panel considers the prospective financial information for Covidien for each of the six fiscal years ending 2019, as set out above, used by Goldman Sachs in connection with its financial analyses for the purpose of

preparing its fairness opinion to be profit forecasts within the meaning of Rule 28 of the Irish Takeover Rules. However, the Irish Takeover Panel decided to waive the requirement under Rule 28.3 to have these forecasts examined for the fiscal years 2015 through 2019 and reported on by Covidien s reporting accountants, Deloitte & Touche (Ireland), as a result of the following exceptional circumstances:

(i) the prospective financial information is only included in this joint proxy statement/prospectus as it is required to be included pursuant to SEC regulations:

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(ii) the prospective financial information was not prepared as part of Covidien s normal budgeting process and therefore does not meet the exacting criteria of profit forecasts within the meaning of Rule 28 of the Irish Takeover Rules; and

(iii) Deloitte & Touche (Ireland) has confirmed that they would be unable, as reporting accountants, to issue a report on the profit forecasts required under Rule 28.3 of the Irish Takeover Rules in respect of this prospective financial information.

While the prospective financial information above for the fiscal years 2015 through 2019 has not been reported upon in accordance with Rule 28 of the Irish Takeover Rules, your attention is drawn to the Covidien Profit Forecast (as defined on page 475) for the year ending September 26, 2014 included in Covidien s public press release issued on December 16, 2013, as updated in its first quarter earnings release issued on January 24, 2014, and its second quarter earnings release issued on April 25, 2014, as set out on page 475 of this joint proxy statement/prospectus, which has been reported upon in accordance with Rule 28 of the Irish Takeover Rules. Please see page 475 for further discussion on the Covidien Profit Forecast, including the underlying bases and assumptions.

Financing

General

Medtronic initially contemplated financing a substantial portion of the cash component of the scheme consideration through an intercompany loan from one or more of its non-U.S. subsidiaries to IrSub. However, as announced on October 3, 2014, following the September 22, 2014 announcement by the U.S. Treasury Department and the IRS, Medtronic now expects that it will incur approximately $16.3 billion in external indebtedness to finance the cash component of the scheme consideration. Medtronic expects that a substantial portion of such external indebtedness will be incurred by Medtronic prior to the consummation of the transaction and will be guaranteed by New Medtronic. As a result, Medtronic, or its affiliates, will have a sufficient amount of cash available to it by the time of the consummation of the transaction to fund the cash component of the scheme consideration.

Bridge Credit Agreement

On November 7, 2014, Medtronic entered into the 364-day senior unsecured Bridge Credit Agreement, among Medtronic, New Medtronic, Medtronic Luxco, the lenders from time to time party thereto and Bank of America, N.A., as administrative agent. Under the Bridge Credit Agreement, the lenders party thereto have committed to provide Medtronic with unsecured bridge financing in an aggregate principal amount of up to $11.3 billion. The commitments are intended to be available to finance, in part, the cash component of the scheme consideration and certain transaction expenses to the extent Medtronic does not arrange for alternative financing prior to the consummation of the transaction. New Medtronic and Medtronic Luxco have guaranteed the obligations of Medtronic under the Bridge Credit Agreement. If Medtronic draws loans under the Bridge Credit Agreement, it intends to refinance any such loans with the proceeds of other external indebtedness.

Term Loan Credit Agreement

On November 7, 2014, Medtronic also entered into the three-year senior unsecured Term Loan Credit Agreement among Medtronic, New Medtronic, Medtronic Luxco, the lenders from time to time party thereto and Bank of America, N.A., as administrative agent. Under the Term Loan Credit Agreement, the lenders party thereto have committed to provide Medtronic with unsecured term loan financing in an aggregate principal amount of up to $5.0 billion. Medtronic intends to draw upon such commitments on the consummation of the transaction to finance, in

part, the cash component of the scheme consideration and certain transaction expenses. New Medtronic and Medtronic Luxco have guaranteed the obligations of Medtronic under the Term Loan Credit Agreement.

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Termination of Existing Bridge Credit Agreements

In connection with entering into the Bridge Credit Agreement and the Term Loan Credit Agreement, on November 7, 2014, Medtronic terminated the unsecured bridge commitments previously provided to it in an aggregate principal amount of $2.8 billion under the 364-day senior unsecured bridge credit agreement dated as of June 15, 2014. On the same date, IrSub terminated the unsecured bridge commitments previously provided to it in an aggregate principal amount of $13.5 billion under the 60-day senior unsecured cash bridge credit agreement dated as of June 15, 2014.

Summary of Terms of the Bridge Credit Agreement and the Term Loan Credit Agreement

The funding of the loans under each Credit Agreement is conditioned on, among other things, the consummation of the transaction and the absence of certain events of defaults described in each Credit Agreement. The commitments under each Credit Agreement automatically terminate on the earliest of (a) the disbursement of the loans to Medtronic on the date of funding (Disbursement Date), (b) the occurrence of certain mandatory cancellation events or (c) March 15, 2015 (or, if all but certain conditions under the Transaction Agreement have been completed, June 15, 2015).

Loans outstanding under each Credit Agreement will bear interest, at Medtronic s option, either (a) at the base rate (defined as the highest of (1) the prime rate of Bank of America, N.A., (2) the federal funds rate plus 0.50% and (3) the applicable interest rate for a eurodollar loan with a one month interest period beginning on such day plus 1.00%) or (b) at the eurodollar rate, plus, in each case, an applicable margin that will vary depending on the debt rating of Medtronic and, in the case of the Bridge Credit Agreement, the number of days which the loans remain outstanding from the Disbursement Date. In addition, under each Credit Agreement, Medtronic has agreed to pay (x) nonrefundable ticking interest of 0.05% on the amount of the aggregate commitments in effect from November 7, 2014 through the termination of the commitments and (y) solely in the case of the Bridge Credit Agreement, a non-refundable duration fee of 0.50%, 0.75% and 1.00% on the 90th, 180th and 270th days, respectively, after the Disbursement Date on the aggregate principal amount of the loans outstanding on such day.

The borrower may voluntarily prepay the loans under each Credit Agreement at any time without premium or penalty. The Bridge Credit Agreement also requires mandatory prepayments with the net cash proceeds of certain asset sales, debt or equity issuances and recovery events, subject to customary exceptions. Each Credit Agreement also contains customary events of default, upon the occurrence of which, and for so long as such event of default is continuing, the amounts outstanding under such Credit Agreement will accrue interest at an increased rate and payments of such outstanding amounts could be accelerated by the lenders. In addition, the loan parties under each Credit Agreement will be subject to certain affirmative and negative covenants.

Amended and Restated Revolving Credit Agreement

On November 7, 2014, Medtronic also entered into the Revolver Amendment Agreement, among Medtronic, New Medtronic, Medtronic Luxco, the lenders from time to time party thereto and Bank of America, N.A., as administrative agent and issuing bank. Under the Revolver Amendment Agreement, the parties thereto have agreed to enter into the Amended and Restated Revolving Credit Agreement dated as of December 17, 2012, among Medtronic, the lenders from time to time party thereto and Bank of America N.A., as administrative agent and issuing bank.

The effectiveness of the Amended and Restated Revolving Credit Agreement is conditioned on, among other things, the consummation of the acquisition. Under the Amended and Restated Revolving Credit Agreement, the lenders party thereto will provide Medtronic and Medtronic Luxco with unsecured revolving credit commitments in an aggregate principal amount of up to $3.5 billion. The commitments are intended to be used for general corporate purposes, including acquisitions and working capital of Medtronic and Medtronic

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Luxco, and to replace the revolving credit facility currently available to Covidien. Medtronic and Medtronic Luxco will be co-borrowers under the Amended and Restated Revolving Credit Agreement and each of Medtronic, Medtronic Luxco and New Medtronic will also guarantee the obligations of the co-borrowers under the Amended and Restated Revolving Credit Agreement.

A copy of the Bridge Credit Agreement is included as Exhibit 10.60 to the registration statement of which this joint proxy statement/prospectus forms a part. A copy of the Term Loan Credit Agreement is included as Exhibit 10.61 to the registration statement of which this joint proxy statement/prospectus forms a part. A copy of the Amended and Restated Revolving Credit Agreement is included as Exhibit 10.62 to the registration statement of which this joint proxy statement/prospectus forms a part. For further information regarding the Bridge Credit Agreement, the Term Loan Credit Agreement and the Amended and Restated Revolving Credit Agreement, please see the full text of the Bridge Credit Agreement, a copy of which is filed as Exhibit 10.1 to Medtronic s Current Report on Form 8-K filed with the SEC on November 10, 2014, the full text of the Term Loan Credit Agreement, a copy of which is filed as Exhibit 10.2 to Medtronic s Current Report on Form 8-K filed with the SEC on November 10, 2014 and the full text of the Amended and Restated Revolving Credit Agreement, a copy of which is filed as Exhibit 10.3 to Medtronic s Current Report on Form 8-K filed with the SEC on November 10, 2014.

Perella Weinberg is satisfied that sufficient resources are available to satisfy in full the cash consideration payable to Covidien shareholders under the terms of the acquisition.

The obligations to pay interest on, repay the principal amount of and guarantee the payment of any liability (contingent or otherwise) under the Credit Agreements are not conditioned or otherwise subject to the financial results of Covidien.

Transaction-Related Costs

Medtronic currently estimates that, upon the consummation of the transaction, transaction-related costs incurred by the combined company, excluding fees and expenses relating to financing and integration, will be approximately $270 million.

Interests of Certain Persons in the Transaction

Medtronic

In considering the recommendation of the Medtronic board of directors, Medtronic shareholders should be aware that Medtronic directors and executive officers have interests in the proposed transaction that are in addition to, or different from, any interests they might have as shareholders. These interests are described in more detail below, and, with respect to named executive officers of Medtronic, are quantified in the table below. The Medtronic board of directors was aware of these interests (other than any interests that arose following Medtronic s entry into the Transaction Agreement) and considered them when it approved the Transaction Agreement and the transaction. Other than the interests described below, the proposed transaction is not expected to have an impact on the compensation and benefits payable to Medtronic s directors or named executive officers.

Excise Tax Gross-Up

As a result of the transaction, Section 4985 of the Code imposes an excise tax (15% in 2014) on the value of certain stock compensation held at any time during the six months before and six months after the closing of the transaction by individuals who were and/or are directors and executive officers of Medtronic and are subject to the reporting

requirements of Section 16(a) of the Securities Exchange Act of 1934, as amended (the Exchange Act), during the same period (each referred to in this proxy statement/prospectus as a covered individual). This excise tax applies to all compensation (or rights to compensation) granted to covered individuals by

Medtronic if the value of such compensation or right is based on (or determined by reference to) the value or change in value of stock in Medtronic or its affiliates (excluding certain statutory incentive stock options and holdings in tax qualified plans). This includes any outstanding (1) unexercised vested or unvested nonqualified stock options, (2) unvested restricted stock awards and (3) other stock-based compensation held by the covered individuals during this 12-month period. The excise tax will not, however, apply to any stock option that is exercised on or prior to the closing date of the transaction or any other stock compensation that is distributed, cashed-out, or otherwise paid in a manner resulting in income inclusion prior to the closing of the transaction. New Medtronic and/or Medtronic intend to provide a gross-up payment to each covered individual with respect to any excise taxes that may be imposed pursuant to Section 4985 of the Code, which excise tax is not applicable to other Medtronic stockholders.

Members of the Medtronic board of directors considered the impact of the Section 4985 excise tax on the covered individuals and the possible approaches for addressing this impact. Specifically, the members of the board of directors, together with their outside advisors, discussed the mechanics of the tax, reviewed the impact of the tax on Medtronic s covered individuals and on Medtronic itself, particularly in light of the strategic importance of the transaction to Medtronic and its shareholders, and considered the approach taken by other companies undergoing similar transactions. Following these discussions, the board of directors of Medtronic determined that it would be appropriate to reimburse the covered individuals for the excise tax, so that, on a net after-tax basis, they would be in the same position as if no such excise tax had been applied for the following reasons:

1. Covered Executives Are Key to Realizing the Strategic Benefits of the Transaction. The board of directors of Medtronic concluded that the potential costs to shareholders of the tax reimbursements were relatively minor when weighed against the strategic and financial benefits and other value for shareholders expected to be created as a result of the proposed transaction and the importance of the covered executives to realizing these benefits. See page 92 for a discussion of those benefits.

Medtronic s ability to realize these benefits is directly related to the tremendous skill and efforts of its employees. If not reimbursed, the excise tax triggered by this transaction on the covered executives would result in the affected individuals losing a substantial portion of their compensation. Medtronic would need to replace these incentives or risk losing valuable individuals during this crucial time for the company.

2. Covered Individuals Remain Responsible for Paying All Income and Capital Gains Taxes That They Would Have Paid Absent the Transaction. Payment of the excise tax reimbursement will result in no unique benefit to these individuals but is intended only to place them in the same position as other shareholders after the transaction. The covered individuals will retain the obligation to pay all of the income and other taxes on all of their equity awards when due. In addition, no payments will be made to cover taxes imposed on the exchange of shares of Medtronic common stock held by any of the covered individuals.

3. Covered Individuals Are Receiving No Additional Compensation as a Result of the Transaction. As shown in the table on page 128, none of the named executive officers or other covered individuals (other than Bryan Hanson, to the extent he becomes a covered individual) will receive any payment or benefit as a result of the merger, other than the excise tax reimbursement. The outstanding equity awards held by the covered individuals will continue to reflect the same terms, including vesting schedules, at the combined entity. While a pre-existing deferred compensation trust would have, by its terms, been funded as a result of the transaction, Medtronic has amended the trust to prevent such funding.

4. Accelerating the Stock Compensation of the Covered Individuals Would Have Cost Medtronic More Than the Tax Reimbursements. The Medtronic board of directors considered the relative costs and benefits of two approaches for mitigating the possible impact of the Section 4985 excise tax on the covered individuals: (1) reimbursing the covered

individuals for the Section 4985 excise tax that would be payable by them as a result of the transaction (and any resulting income), and (2) accelerating the vesting of and/or canceling these officers and directors equity awards. In weighing these alternatives, and deciding in favor of reimbursing the covered individuals for the 4985 excise tax and the resulting income, as opposed to accelerating the vesting and delivery of outstanding equity awards, the Medtronic board of directors considered the strong desire to continue to align the interests of executive officers and directors with

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stockholder interests through substantial and meaningful officer and director equity ownership. The board recognized that accelerating the vesting of, or canceling, such awards would undercut Medtronic s compensation philosophy of insuring that executive officers hold long-term performance-based compensation (which represents a large percentage of the unvested awards outstanding, and that accelerating the vesting of these performance-based awards could result in unearned compensation being paid to the executives).

These gross-up payments would be non-deductible and would themselves be subject to the Section 4985 excise tax. Additionally, to the extent the reimbursements are made to covered employees within the meaning of Section 162(m)(3) of the Code, they would reduce the Section 162(m) limit on deductibility of such employees compensation. These amounts would be paid following the closing of the transaction, which is subject to, among other things, adoption of the plan of merger contained in the Transaction Agreement by Medtronic s shareholders. The estimated cost to Medtronic of providing an excise tax gross up-payment for each of the named executive officers is set forth below in the table entitled *Quantification of Payments and Benefits to Medtronic s Named Executive Officers*. When compared against the enhanced value of the transactions to Medtronic s shareholders, the potential cost of the excise tax payment is relatively insignificant. The estimated cost to Medtronic of providing excise tax gross-up payments to the five Medtronic executive officers not included in the table below and Bryan Hanson (who is currently a named executive officer of Covidien) is approximately $14.6 million. The estimated cost to Medtronic of providing excise tax gross-up payments to the eleven non-employee directors in office as of the approval of the Transaction Agreement or currently is approximately $4.8 million. The total estimated cost to Medtronic of providing excise tax gross-up payments for all Medtronic executive officers and directors is approximately $72 million.

The following table provides the estimated cost to Medtronic of providing a gross-up payment for each of the non-employee directors in respect of the excise tax:

Name	Tax Reimbursement ($)
Richard H. Anderson	864,760
Scott C. Donnelly	54,316
Shirley Ann Jackson	797,993
Michael O. Leavitt	184,422
James T. Lenehan	629,821
Elizabeth G. Nabel, M.D.	0
Denise M. O Leary	804,927
Kendall J. Powell	663,170
Robert C. Pozen	652,883
Preetha Reddy	109,613

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In each case, the value of the payments was calculated based on certain assumptions as set forth in the footnote to the table below.

The following table and the related footnotes present information about the compensation payable to Medtronic s named executive officers in connection with the transaction. The compensation shown in this table is subject to a vote, on a non-binding, advisory basis, of the stockholders of Medtronic at the special meeting, as described herein in Medtronic Shareholder Vote on Specified Compensation Arrangements.

Quantification of Payments and Benefits to Medtronic s Named Executive Officers

Name	Cash ($)	Equity ($)	Pension/NQDC* ($)	Perquisites/ Benefits ($)	Tax Reimbursement ($)[1]	Other ($)	Total ($)
Omar Ishrak					27,264,683		27,264,683
Gary L. Ellis					8,704,002		8,704,002
Christopher J. O Connell					7,598,248		7,598,248
Michael J. Coyle					6,010,270		6,010,270
Carol A. Surface					2,843,186		2,843,186

* Non-qualified deferred compensation.

(1) Such amounts consist of the estimated cost to Medtronic of the excise tax gross-up payments, which will be payable on behalf of Medtronic s named executive officers, who along with Medtronic s directors and certain other executives, become subject to the excise tax under Section 4985 of the Code as a result of the consummation of the transaction. Under the Code, the excise tax will become effective contemporaneously with the consummation of the transaction. Consequently, the amount of the payment that will be made will be calculated based on the closing price of Medtronic s stock as of the consummation of the transaction and each individual s relevant equity awards held as of that date. For purposes of the table above, the payment is based on: (1) Medtronic s closing stock price, as of November 13, 2014, of $69.38; (2) the individuals relevant stock-based compensation held as of November 13, 2014; (3) a 15% excise tax rate; (4) a maximum federal tax rate of 39.60% and average state tax rate of 8.5%; (5) the assumption that no stock options are exercised between November 13, 2014 and the consummation of the transaction; (6) the assumption that the transaction will be consummated on or before January 26, 2015; and (7) the assumption that no stock-based compensation is granted in the six months following the consummation of the transaction. The actual amount of the tax reimbursement for each affected individual will be determinable following the consummation of the transaction.

The consummation of the transaction is not expected to result in the accelerated vesting or payment of compensation or benefits under any other equity or other plans of Medtronic.

Continuing Directors

The Transaction Agreement provides that up to 11 members of the Medtronic board of directors will serve on the board of directors of New Medtronic following completion of the transaction.

Indemnification and Insurance

Pursuant to the terms of the Transaction Agreement, Medtronic s directors and executive officers will be entitled to certain ongoing indemnification and coverage under directors and officers liability insurance policies from, and the organizational documents of, Medtronic and New Medtronic. See *The Transaction Agreement Covenants and Agreements Directors and Officers Indemnification and Insurance*. In addition, the directors and executive officers of New Medtronic, which are expected to include some or all of Medtronic s current

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directors and executive officers, are expected to enter into indemnification agreements with New Medtronic and/or one or more of its subsidiaries.

Covidien

In considering the recommendation of the Covidien board of directors, Covidien shareholders should be aware that directors and executive officers of Covidien have interests in the proposed transaction that are in addition to, or different from, any interests they might have as shareholders. Members of the Covidien board of directors were aware of and considered these interests (other than any interests that arose following Covidien s entry into the Transaction Agreement), among other matters, in evaluating and negotiating the Transaction Agreement and the proposed transaction, and in recommending to the shareholders of Covidien that the scheme be approved. See the section entitled *The Transaction Background of the Transaction* and the section entitled *The Transaction Recommendation of the Covidien Board of Directors and Covidien s Reasons for the Transaction.* Covidien s shareholders should take these interests into account in deciding whether to vote **FOR** the proposal to approve the scheme. These interests are described in more detail below, and certain of them are quantified in the narrative and the table below.

Treatment of Covidien Options and Covidien Share Awards

Under the Transaction Agreement, equity-based awards held by Covidien s directors and executive officers as of the effective time of the scheme will be treated as follows:

Covidien Options. Each option to purchase Covidien ordinary shares that is outstanding and unexercised immediately prior to the effective time of the scheme will be assumed by New Medtronic and will be converted into an option to acquire a number of New Medtronic ordinary shares (rounded down to the nearest whole share), equal to the product obtained by multiplying (a) the number of Covidien ordinary shares subject to the Covidien option by (b) the equity award conversion ratio at an exercise price (rounded up to the nearest whole cent) per New Medtronic ordinary share equal to the quotient obtained by dividing (i) the exercise price per Covidien ordinary share by (ii) the equity award conversion ratio. Each New Medtronic option as so assumed and converted will otherwise continue to have, and will otherwise be subject to, the same terms and conditions as applied to the applicable Covidien option immediately prior to the effective time of the scheme.

Covidien Share Awards Granted Prior to June 15, 2014. Each Covidien share award that is outstanding immediately prior to the effective time of the scheme and was granted prior to June 15, 2014 will be cancelled and converted into the right to receive the scheme consideration in respect of each Covidien ordinary share underlying the Covidien share award (including any corresponding dividend equivalent units), less applicable tax withholdings (which will be deducted first from the share portion of such consideration and then from the cash portion). For any performance-based Covidien share award (including any corresponding dividend equivalent units), the number of ordinary shares underlying the Covidien share award will be based on actual performance measured over a 60 trading day period that ends on the sixth business day prior to the effective time of the scheme.

Covidien Share Awards Granted On or After June 15, 2014. Each Covidien share award that is outstanding immediately prior to the effective time of the scheme and was granted on or after June 15, 2014 will be converted into a New Medtronic award with respect to a number of New Medtronic ordinary shares (rounded to the nearest whole share) equal to the product obtained by multiplying (a) the number of Covidien ordinary shares subject to the Covidien share award (including any corresponding dividend equivalent units) immediately prior to the effective time of the scheme by (b) the equity award conversion ratio. Each New Medtronic share award as so assumed and converted will continue to have, and will be subject to, the same terms and conditions as applied to the applicable Covidien share award immediately prior to the effective time of the scheme.

Quantification of Payments. For an estimate of the amounts that would be payable to each of Covidien s named executive officers in settlement of their unvested Covidien share awards granted prior to June 15, 2014, and the value of any unvested Covidien options and unvested Covidien share awards granted on or after June 15,

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2014 that accelerate upon a qualifying termination of employment, assuming that the effective time of the scheme and the qualifying termination occurred on November 5, 2014, see *Quantification of Payments and Benefits to Covidien s Named Executive Officers* below. The estimated aggregate amount that would be payable to Covidien s executive officers who are not named executive officers in settlement of their unvested Covidien share awards granted prior to June 15, 2014, and the value of any unvested Covidien options and unvested Covidien share awards granted on or after June 15, 2014 that accelerate upon a qualifying termination of employment, assuming that the effective time of the scheme and the qualifying termination of employment occurred on November 5, 2014 is $40,884,890. Covidien estimates that the aggregate amount that would be payable to Covidien s eight non-employee directors for their unvested Covidien share awards if the effective time of the scheme occurred on November 5, 2014 is $1,934,267. The amounts specified in this paragraph are determined using a price per Covidien ordinary share of $89.45, the average closing price per share over the first five business days following the announcement of the Transaction Agreement.

Change in Control Severance Plan

Covidien maintains the Covidien Change in Control Severance Plan for Certain U.S. Officers and Executives (the Covidien Change in Control Plan), which provides eligible employees who either experience an involuntary termination of employment or resign for good reason within the 60 days prior to or two years following a change in control of Covidien (a qualifying termination of employment) with certain severance benefits. Each Covidien executive officer is covered by this severance plan. Under the terms of the severance plan, each eligible executive officer who experiences a qualifying termination of employment would receive:

- a single lump sum payment equal to 24 months of the executive s base salary (36 months for José Almeida, Covidien s President and Chief Executive Officer, provided that the amount paid does not exceed 2.99 times his base salary);
- a single lump sum payment equal to two times the average of the executive s bonus for the previous three fiscal years (2.99 times the average of the previous three fiscal year bonuses for the chief executive officer);
- continuation of health, dental, and vision benefits at active employee rates for a period of up to 24 months (36 months for the chief executive officer);
- full vesting of unvested stock options;
- 12 months to exercise vested stock options (unless a longer period is provided in the applicable award agreement);
- full vesting of unvested restricted stock unit awards that are subject solely to time-based vesting;
- subject to the terms of the applicable award agreements, vesting of unvested performance unit awards if, and to the extent that, the Covidien compensation committee determines that the applicable performance criteria have

been or will be attained or would have been attained during the 24-month period after the executive s employment terminates (36-month period for the chief executive officer);

outplacement services, in Covidien s discretion, for up to 12 months; and

payment of a pro rata portion of the executive s actual annual incentive cash award for the fiscal year during which such executive s employment terminates.

Under the Covidien Change in Control Plan, any payments or benefits payable to the executive officer will be reduced to the extent that such payments or benefits would result in the imposition of excise taxes under Section 4999 of the Code, unless the executive officer would be better off on an after-tax basis receiving all such payments or benefits and paying the applicable excise taxes.

The payment of benefits under the Covidien Change in Control Plan is conditioned upon the executive executing a general release in favor of Covidien and is subject to the terms of the non-competition, non-solicitation, and confidentiality agreement between the executive and Covidien, under which the executive

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agrees not to disclose confidential Covidien information at any time and not to compete with Covidien nor solicit Covidien s employees or customers for a period of one year following termination of employment.

For an estimate of the value of the payments and benefits described above that would be payable to each of Covidien s named executive officers, see *Quantification of Payments and Benefits to Covidien s Named Executive Officers* below. The estimated aggregate amount that would be payable to Covidien s other executive officers under the Covidien Change in Control Plan (excluding the estimated value of accelerated equity awards) if the effective time of the scheme were to occur and they were to experience a qualifying termination of employment on November 5, 2014 is $14,046,218. The amount specified in the previous sentence is determined using a price per Covidien ordinary share of $89.45, the average closing price per share over the first five business days following the announcement of the Transaction Agreement.

Supplemental Savings and Retirement Plan

All of Covidien s executive officers participate in the Covidien Supplemental Savings and Retirement Plan, which provides for the accelerated vesting of all company contributions credited to the executive s account under the plan upon the occurrence of a change in control.

Each of Covidien s named executive officers is already fully vested in Company contributions credited to his account under the plan and thus will not receive accelerated vesting upon consummation of the transaction. The estimated aggregate amount of matching contributions credited to the accounts of Covidien s other executive officers under the Covidien Supplemental Savings and Retirement Plan that would become fully vested if the effective time of the scheme were to occur on November 5, 2014 is $5,959.

Section 4985 Excise Tax Gross-Up

Under the Transaction Agreement, Covidien may enter into an agreement with each director and executive officer of Covidien providing for a gross-up with respect to any excise taxes that may be imposed pursuant to Section 4985 of the Code such that on a net after-tax basis, the director or executive officer would be in the same position as if no such excise tax had been applied. If it is determined that the excise tax under Section 4985 of the Code applies to directors and executive officers of Covidien (including such an individual who becomes a director or officer of New Medtronic or Medtronic, as applicable), the actual amounts due on behalf of the directors and executive officers will be determinable following the consummation of the proposed transaction. No tax reimbursements are currently expected to be payable to Covidien directors or executive officers pursuant to gross-up agreements relating to taxes imposed under Section 4985 of the Code, except for Mr. Hanson. **These gross-up payments will not cover any capital gains tax imposed on the exchange of any Covidien ordinary shares held by Covidien directors or executive officers, and such directors and executive officers will be responsible for paying such capital gains tax just like all other Covidien shareholders.**

Continuing Directors

The Transaction Agreement provides that two members of the Covidien board of directors as of June 15, 2014 will serve on the board of directors of New Medtronic following the effective time of the scheme. These individuals will be selected by the Nominating and Corporate Governance Committee of the Medtronic board of directors in consultation with Covidien.

Indemnification and Insurance

Covidien is party to indemnification agreements with each of its directors and executive officers that require Covidien, among other things, to indemnify the directors and executive officers against certain liabilities that may arise by reason of their status or service as directors or officers. In addition, pursuant to the terms of the Transaction Agreement, Covidien s directors and executive officers will be entitled to certain ongoing indemnification and coverage under directors and officers liability insurance policies from New Medtronic. See

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The Transaction Agreement Directors and Officers Indemnification and Insurance. Furthermore, the directors and executive officers of New Medtronic, which are expected to include some of Covidien s current directors and executive officers, are expected to enter into indemnification agreements with New Medtronic and/or one or more of its subsidiaries.

Letters of Intent with Medtronic

Following Covidien s entry into the Transaction Agreement, Bryan Hanson, who is currently a named executive officer of Covidien, and Michael Tarnoff, who is currently an executive officer of Covidien, each agreed upon the terms of a letter of intent with Medtronic providing for the executive s employment with New Medtronic following the closing of the transaction.

The letters of intent with Messrs. Hanson and Tarnoff each contemplate that the executive will enter into an employment agreement with New Medtronic prior to commencing employment. Mr. Hanson s annual base salary will be $750,000 and Dr. Tarnoff s annual base salary will be $542,200, and the executives will be eligible for an annual bonus with a target equal to 85% and 65%, respectively, of their respective base salaries. Upon commencement of employment with New Medtronic, each of Messrs. Hanson and Tarnoff will receive sign-on stock option and RSU grants with a target grant date value of $3,000,000 and $3,400,000, respectively, subject in each case to certain vesting criteria. Starting in fiscal year 2016, the executives will be eligible to participate in New Medtronic s long-term incentive programs, comprised of cash- and equity-based awards with a fiscal year 2016 target grant date value of $2,700,000 in the case of Mr. Hanson, and $1,200,000 in the case of Dr. Tarnoff.

Under the letters of intent, each executive will be eligible to participate in all savings and retirement plans and welfare benefits that are generally made available to other U.S.-based New Medtronic executives; however, for the two-year period following the consummation of the transaction, the executives will continue to be covered by the Covidien Change in Control Plan and thereafter, the executives will participate in New Medtronic s severance plans or policies.

In addition, under his letter of intent, Mr. Hanson will receive a new hire bonus of $1,000,000 upon commencement of employment with New Medtronic. Mr. Hanson is expected to become an executive officer of Medtronic and will be subject to New Medtronic s stock ownership policies, which will require him to maintain a certain ownership level of New Medtronic shares and impose retention requirements on equity awards until the requisite ownership requirements are satisfied.

Further to Rule 16.2 of the Irish Takeover Rules, Covidien shareholders will receive a separate communication relating to these incentivisation arrangements.

Quantification of Payments and Benefits to Covidien s Named Executive Officers

The table below sets forth the amount of payments and benefits that each of Covidien s named executive officers would receive in connection with the transaction, assuming that the transaction were consummated and each such executive officer experienced a qualifying termination of employment on November 5, 2014. The amounts below are determined using a price per Covidien ordinary share of $89.45, the average closing price per share over the first five business days following the announcement of the Transaction Agreement. As a result of the foregoing assumptions, the actual amounts, if any, to be received by a named executive officer may materially differ from the amounts set forth below.

Name	Cash ($)[2]	Equity ($)[3]	Perquisites/ Benefits ($)[4]	Tax Reimbursement ($)[5][6]	Other ($)	Total ($)
José E. Almeida	8,232,260	45,830,332	72,108			54,134,700
Charles J. Dockendorff[1]	3,158,401		18,072			3,176,473
Bryan C. Hanson	2,485,501	12,276,919	63,072	2,869,167		17,694,659
Peter L. Wehrly	2,060,576	10,058,276	63,072			12,181,924
John H. Masterson	2,305,198	7,870,169	63,072			10,238,439

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(1) The terms of Covidien s annual incentive plan and equity plan provide for certain benefits upon an employee s termination of employment due to death, disability, or normal or early retirement. For this purpose, normal retirement occurs where an employee terminates employment after attaining age 60 and the sum of the employee s age and years of service equals at least 70. Under the annual incentive plan, employees are eligible to receive a prorated annual incentive cash award based on the number of days that the employee was employed by Covidien during the fiscal year upon death, disability, or normal or early retirement. Under the Covidien equity plan, employees are eligible to receive full vesting of stock options, restricted units, and performance units upon death, disability or normal retirement. As of August 11, 2014, Mr. Dockendorff satisfied the requirements for normal retirement. Accordingly, amounts reported in this table reflect only amounts that Mr. Dockendorff will receive as a result of the transaction and not amounts to which he would be entitled to receive due to his satisfying the requirements for normal retirement. Prior to the announcement of the transaction, Covidien reported that Mr. Dockendorff would be retiring at the end of calendar 2014.

(2) The cash payments consist of (a) a pro rata annual bonus for the 2014 fiscal year (assuming target performance), payable to each of the named executive officers, other than Mr. Dockendorff within 60 days after the executive officer s qualifying termination of employment, and (b) a lump sum severance amount payable to each of the named executive officers (including Mr. Dockendorff) in an amount equal to the sum of (i) two times (2.99 times in the case of Mr. Almeida) the executive officer s base salary and (ii) two times the average of the executive officer s bonus for the previous three fiscal years (2.99 times the average of the previous three fiscal year bonuses in the case of Mr. Almeida). For named executive officers other than Mr. Dockendorff, both the pro rata bonus and the severance payment are double trigger and for Mr. Dockendorff, only the severance payment is double trigger. The amounts noted for Mr. Hanson do not include payments that may become payable to Mr. Hanson as an executive officer of New Medtronic following the consummation of the transaction. Set forth below are the separate values of each of the pro rata target bonus and the severance payment.

Name	Pro Rata Target Bonus ($)	Severance Payment ($)
José E. Almeida	95,651	8,136,609
Charles J. Dockendorff		3,158,401
Bryan C. Hanson	36,350	2,449,151
Peter L. Wehrly	26,921	2,033,655
John H. Masterson	27,759	2,277,439

(3) As described above, Covidien share awards granted prior to June 15, 2014 that are held by Covidien s named executive officers (other than Mr. Dockendorff) will become fully vested (based on actual performance measured over a 60-trading day period ending on the date that is the sixth business day prior to the effective time of the scheme for any Covidien share awards subject to performance-based vesting conditions) and will be settled for the scheme consideration upon the consummation of the transaction (i.e., single-trigger vesting). The values set forth below assume actual performance for such Covidien share awards will equal maximum performance; accordingly, amounts that will be paid to each named executive officer upon the effective time of the scheme could be less than the amounts listed in the table below. Other than for Mr. Dockendorff, Covidien options and Covidien share awards granted on or after June 15, 2014 will become fully vested (assuming maximum performance for any Covidien share awards subject to performance-based vesting conditions) upon a qualifying termination of employment (i.e., double-trigger vesting). For Mr. Dockendorff, all equity awards will become fully vested upon his retirement. Set forth below are the values of each type of Covidien equity-based award that would be payable in connection with the transaction or a qualifying termination of employment.

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Name	Options ($)	Restricted Units (Including Dividend Equivalent Units) ($)	Performance Units (Including Dividend Equivalent Units) ($)
José E. Almeida	20,827,089	6,126,609	18,876,634
Charles J. Dockendorff			
Bryan C. Hanson	5,557,346	1,655,451	5,064,122
Peter L. Wehrly	4,563,631	1,382,092	4,112,553
John H. Masterson	3,718,795	1,067,139	3,084,236

As discussed above, Mr. Dockendorff has satisfied the requirements for normal retirement. If Mr. Dockendorff received normal retirement treatment as of November 5, 2014, he would become vested in 208,844 stock options, 23,565 restricted units (including dividend equivalent units), and 63,156 performance units (including dividend equivalent units and assuming maximum performance).

(4) The amounts above include the estimated value of employer portion of the premiums for each named executive officer and his or her eligible dependents for continued coverage under Covidien s medical, dental, and vision plans during the applicable severance period. In addition, although payable in Covidien s discretion, the amount above also assumes that Covidien would pay $45,000 for outplacement services upon a qualifying termination of employment for all named executive officers other than Mr. Dockendorff. All such benefits are double trigger.

(5) No tax reimbursements are currently expected to be payable to Covidien directors or executive officers pursuant to gross-up agreements relating to taxes imposed under Section 4985 of the Code, except for Mr. Hanson. Estimated tax reimbursements are subject to change based on the actual closing date of the scheme and certain other assumptions used in the calculations. Tax reimbursements under the Section 4985 gross-up agreements are single-trigger. See *Section 4985 Excise Tax Gross-Up* above.

(6) Such amounts consist of the estimated cost of potential excise tax gross-up payments. For purposes of the table above, the payment is based on: (1) Medtronic s closing stock price, as of November 13, 2014, of $69.38; (2) a 15% excise tax rate; (3) a maximum federal tax rate of 39.60% and average state tax rate of 8.5%; (4) the assumption that the transaction will be consummated on or before January 26, 2015; (5) the assumption that no stock-based compensation is issued in the six months following the consummation of the transaction; (6) the assumption that the terms set forth in the letter of intent agreed upon between Medtronic and Mr. Hanson will be implemented as agreed; and (7) the assumption that no non-US taxes are imposed on the executive officer in respect of his receipt of the gross-up payment. The actual amount of the tax reimbursement for Mr. Hanson will be determinable following the consummation of the transaction.

Medtronic s Intentions Regarding Medtronic and Covidien

Medtronic has commenced, and following the closing New Medtronic will continue, a comprehensive evaluation of the combined company s operations and will identify the best way to integrate the organizations in order to further improve New Medtronic s ability to serve its customers, as well as achieve revenue and cost synergies. Employees from both Medtronic and Covidien are involved in the evaluation and formation of the integration plans.

The evaluation and formulation of these plans is being conducted by Medtronic in phases. Until Medtronic completes evaluation and formulation of each phase of these plans, Medtronic is not in a position to comment on prospective potential impacts upon employment, specific locations or any redeployment of fixed assets. Based upon Medtronic s experience in integrating acquisitions, it is Medtronic s expectation that there will be a reduction in headcount for the combined group stemming from the elimination of duplicative activities, functions, or facilities. The integration decisions that have been made to date are described below.

Subject to the terms of the Transaction Agreement, during the specified period following consummation of the transaction, Covidien employees will continue to receive compensation and benefits as described in *The Transaction*

Agreement Covenants and Agreements Employee Matters. New Medtronic will be led by Omar Ishrak as Chairman and Chief Executive Officer.

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Medtronic will also seek to reduce costs where appropriate, some of which have historically been related to Covidien s status as a listed company and some cost reductions will be generated as a result of back office optimization and general and administrative cost savings.

Covidien notes that Medtronic has commenced an evaluation of the combined company which, Covidien understands, may, following completion of the acquisition, lead to a reduction in headcount and elimination of duplicative functions in either or both of Covidien and Medtronic. However, Covidien also notes that Covidien will have the opportunity to be involved in the evaluation and formation of integration plans and the execution of those plans. Covidien notes the disclosure of Medtronic s further plans set out below and is not in a position to give an opinion on the repercussions of such plans on employment and the locations of Covidien s business.

Medtronic anticipates that New Medtronic will be comprised of four major business groups and four geographic regions led by a new Executive Committee. Omar Ishrak will be the chairman and chief executive officer of New Medtronic.

The four business groups of New Medtronic are expected to be led by the following group leaders: Mike Coyle, executive vice president and president of the Cardiac and Vascular Group, Hooman Hakami, executive vice president and president of the Diabetes Group, and Chris O Connell, executive vice president and president of the Restorative Therapies Group. Bryan Hanson, currently group president, Covidien, is expected to become executive vice president and president of the fourth major business group, a newly formed Covidien Group, upon the closing of the transaction.

In addition to the new Covidien Group, the current Peripheral Vascular business from Covidien, including the Endovascular, Arterial and CVI businesses, is expected to be integrated into the Cardiac and Vascular Group s Aortic and Peripheral Vascular business after the closing of the transaction. Upon closing, Covidien s Neurovascular business is expected to be integrated into the Restorative Therapies Group as an independent business unit. More details regarding the specifics of these organizational changes are expected to be announced over time.

The executive leadership team will also include a new regional structure intended to drive organizational effectiveness and focus necessary to achieve New Medtronic s globalization objectives. Upon the closing of the transaction, New Medtronic will organize into four major regions:

Bob White will become senior vice president and president of Medtronic Asia Pacific, based in Singapore. This new region is comprised of Japan, India, Australia/New Zealand, Korea and Southeast Asia. Mr. White is currently president of Covidien s Emerging Markets.

Mike Genau will become senior vice president and president of Medtronic s Americas Region, including Canada, Latin America and the United States. Mr. Genau is currently Medtronic s U.S. Region leader overseeing Medtronic s Integrated Health Services business in the United States.

Rob ten Hoedt will serve as executive vice president and president, of the Europe, Middle East, and Africa (EMEA) region. Mr. Ten Hoedt has been the leader for this region, including Canada, for the past five years.

Chris Lee, president of Medtronic Greater China, will continue to lead the Greater China market as senior vice president and president, upon the closing of the transaction.

The other functions represented on the current Medtronic Executive Committee will not change and will continue to be led by the current Medtronic leaders after the transaction closes. The functional leaders include:

Gary Ellis, executive vice president and chief financial officer, who is responsible for finance, information technology and operations.

Rick Kuntz, M.D., senior vice president and chief scientific, clinical and regulatory officer.

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Brad Lerman, senior vice president, general counsel and corporate secretary.

Geoff Martha, senior vice president, chief integration officer, strategy and business development.

Stephen Oesterle, M.D., senior vice president for medicine and technology.

Luann Pendy, senior vice president, global quality.

Carol Surface, senior vice president and chief human resources officer.

Katie Szyman, senior vice president, channel strategies.

Until the closing of the transaction, Medtronic and Covidien will continue to operate under current leadership structures and as two separate companies.

On October 31, 2014, in order to obtain clearance of the transaction under the HSR Act, an affiliate of Covidien entered into an Asset Purchase Agreement with Spectranetics to divest certain assets related to the DCB Assets. The DCB Assets include, among other things, the intellectual property, machinery and equipment, and inventories of finished products and raw materials primarily used in connection with the drug-coated balloon catheter. Covidien will receive $30 million in cash to divest the DCB Assets. Additionally, as discussed under *Risk Factors Risks Relating to the Transaction*, as a result of the Divestiture Transaction, Covidien has recorded a pre-tax impairment charge of $94 million in its fourth quarter results. The closing of the Divestiture Transaction is expected to occur shortly following completion of the transaction, subject to receipt of necessary regulatory approvals.

In connection with the Asset Purchase Agreement, Covidien and Spectranetics will enter into a Product Supply Agreement, pursuant to which Covidien will agree to supply certain angioplasty balloon catheter products to Spectranetics, subject to the terms and conditions set forth in the Supply Agreement. The Supply Agreement will have an initial two-year term, with an option for Spectranetics to renew the term for an additional year under certain circumstances. In addition, Covidien and Spectranetics will enter into a Transition Services Agreement, pursuant to which Covidien will provide certain transition services to Spectranetics for up to 24 months following the closing date of the Divestiture Transaction, subject to extension under certain circumstances.

Board of Directors and Management after the Transaction

Board of Directors

Pursuant to the Transaction Agreement, effective as of the closing of the transaction, the board of directors of New Medtronic is expected to have thirteen members, consisting of (i) no more than eleven individuals who were members of the Medtronic board of directors immediately prior to the effective time and (ii) two individuals who were members of the Covidien board of directors as of June 15, 2014, to be selected by the Nominating and Corporate Governance Committee of the Medtronic board of directors in consultation with Covidien.

As of the date of this joint proxy statement/prospectus, the Nominating and Corporate Governance Committee of the Medtronic board of directors has not finally determined which Covidien directors will be elected to the board of

directors of New Medtronic. The two Covidien directors that will serve on the New Medtronic board will be selected prior to the completion of the transaction.

Biographical information with respect to the current Medtronic directors is contained in the section herein entitled *Management of Medtronic.* Biographical information with respect to the current Covidien directors from among whom the designees to the board of directors of New Medtronic after the acquisition will be selected is contained in Covidien s proxy statement on Schedule 14A for its 2014 annual general meeting of shareholders filed with the SEC on January 24, 2014, which is incorporated herein by reference.

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Committees of the New Medtronic Board

The New Medtronic board of directors is expected to form the same board committees in existence at Medtronic at the time of the closing of the transaction, including the following board committees: Audit, Compensation, Nominating and Corporate Governance, Finance and Quality and Technology.

No board committees have been designated at this time.

Management

The New Medtronic senior management team after the acquisition and the merger is expected to be the same as the current senior management team of Medtronic with the addition of Bryan Hanson, who is currently a named executive officer of Covidien, and possibly one or more other members of the senior management team of Covidien. As described in *The Transaction Interests of Certain Persons in the Transaction Covidien*, following Covidien s entry into the Transaction Agreement, Mr. Hanson and Michael Tarnoff, an executive officer of Covidien, each agreed with Medtronic upon the terms of a letter of intent providing for his employment following the closing of the transaction. Further to Rule 16.2 of the Irish Takeover Rules, Covidien shareholders will receive a separate communication relating to these incentivisation arrangements. Prior to the closing, New Medtronic may enter into employment arrangements with certain other individuals currently employed by Covidien, including certain of Covidien s executive officers. Biographical information with respect to the current senior management of Medtronic is contained in the section herein entitled *Management of Medtronic*.

Compensation of New Medtronic s Executive Officers

New Medtronic did not have any employees during the year ended December 31, 2013 and, accordingly, has not included any compensation and other benefits information with respect to that or prior periods.

Information concerning the historical compensation paid by Medtronic to its executive officers, all of whom are expected to be the executive officers of New Medtronic, is contained herein in the section entitled *Medtronic s Compensation Discussion and Analysis*.

Following the consummation of the transaction, it is expected that a compensation committee of New Medtronic will be formed, which will oversee and determine the compensation of the chief executive officer and other executive officers of New Medtronic and will evaluate and determine the appropriate executive compensation philosophy and objectives for New Medtronic. This compensation committee would evaluate and determine the appropriate design of the New Medtronic executive compensation program and the appropriate process for establishing executive compensation. With respect to base salaries, annual incentive compensation and long-term incentive awards (or their equivalents), it is expected that New Medtronic s compensation committee will develop programs reflecting appropriate measures, goals, targets and business objectives based on New Medtronic s competitive marketplace. It is expected that the New Medtronic compensation committee will also determine the appropriate benefits, perquisites and severance arrangements, if any, that it will make available to executive officers and may retain a compensation consultant with respect to these executive compensation evaluations and determinations.

This New Medtronic compensation committee is expected to review its compensation policies with respect to the executive officers of New Medtronic after the proposed transaction. Although New Medtronic s future executive officer compensation practices are expected to be based on Medtronic s historical executive officer compensation practices, New Medtronic s compensation committee may review the impact of the transaction on executive officer compensation practices and may make adjustments that it believes are appropriate in structuring New Medtronic s

future executive officer compensation arrangements.

Compensation of New Medtronic s Directors

Information concerning the historical compensation paid by Medtronic to its current non-employee directors, all of whom are expected to be non-employee directors of New Medtronic, is contained herein in the section entitled *Compensation of Medtronic s Non-Employee Directors.* Information concerning the historical compensation paid

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by Covidien to its current directors, two of whom are expected to be non-employee directors of New Medtronic, is contained in Covidien s proxy statement for its 2014 annual meeting of shareholders under the heading *2013 Director Compensation Table* beginning on page 16 thereto and is incorporated herein by reference.

Following the proposed transaction, director compensation will be determined by New Medtronic s Nominating and Corporate Governance Committee. Although New Medtronic s future director compensation practices are expected to be based on Medtronic s historical director compensation practices, New Medtronic s Nominating and Corporate Governance Committee may review the impact of the transaction on director compensation practices and may make adjustments that it believes are appropriate in structuring New Medtronic s future director compensation arrangements.

Regulatory Approvals Required

United States Antitrust

Under the HSR Act, the acquisition cannot be consummated until, among other things, notifications have been given and certain information has been furnished to the FTC and the Antitrust Division, and specified waiting period requirements have been satisfied. On July 7, 2014, each of Medtronic and Covidien filed a Pre-Merger Notification and Report Form pursuant to the HSR Act with the Antitrust Division and the FTC. On August 6, 2014, each of Medtronic and Covidien received a request for additional information and documentary material. Issuance of the second request extends the waiting period under the HSR Act until 11:59 p.m. (Eastern Time in the U.S.) on the 30th day after Medtronic and Covidien have substantially complied with the second request, unless the waiting period is terminated earlier by the FTC or Medtronic and Covidien otherwise agree. In order to further their cooperation with the FTC, Medtronic and Covidien have informed the FTC that they will not close the transaction prior to December 7, 2014 without prior FTC clearance. On October 31, 2014, in order to obtain clearance of the transaction under the HSR Act, an affiliate of Covidien entered into an Asset Purchase Agreement with Spectranetics to divest certain assets related to the DCB Assets. The DCB Assets include, among other things, the intellectual property, machinery and equipment, and inventories of finished products and raw materials primarily used in connection with the drug-coated balloon catheter. Covidien will receive $30 million in cash to divest the DCB Assets. Additionally, as discussed under *Risk Factors Risks Relating to the Transaction*, as a result of the Divestiture Transaction, Covidien has recorded a pre-tax impairment charge of $94 million in its fourth quarter results. The closing of the Divestiture Transaction is expected to occur shortly following completion of the transaction, subject to receipt of necessary regulatory approvals.

In connection with the Asset Purchase Agreement, Covidien and Spectranetics will enter into a Product Supply Agreement, pursuant to which Covidien will agree to supply certain angioplasty balloon catheter products to Spectranetics, subject to the terms and conditions set forth in the Supply Agreement. The Supply Agreement will have an initial two-year term, with an option for Spectranetics to renew the term for an additional year under certain circumstances. In addition, Covidien and Spectranetics will enter into a Transition Services Agreement, pursuant to which Covidien will provide certain transition services to Spectranetics for up to 24 months following the closing date of the Divestiture Transaction, subject to extension under certain circumstances. See *Risk Factors Risks Relating to the Transaction* for further discussion.

Other Regulatory Clearances

Medtronic and Covidien derive revenues in other jurisdictions where merger or acquisition control filings or clearances are or may be required, including clearances by the European Commission and in Canada, China, Israel, Japan, Russia, South Korea, and Turkey. The transaction cannot be consummated until after the applicable waiting periods have expired or the relevant approvals have been obtained under the antitrust and competition laws of the countries listed above where merger control filings or approvals are or may be required. China s Ministry of

Commerce accepted the parties merger control filing for review on August 19, 2014 and initiated a phase II review of the transaction on September 18, 2014. The parties are cooperating with the Ministry of Commerce to facilitate its review of the transaction. On October 10, 2014, Medtronic notified the European

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Commission of the transaction pursuant to Council Regulation (EC) No. 139/2004. Additionally, the necessary clearances in Israel, Japan, Russia and Turkey have been received and the applicable waiting period in Canada has expired.

Irish Court Approvals

The scheme of arrangement requires the approval of the Irish High Court, which involves an application by Covidien to the Irish High Court to sanction the scheme. The Irish High Court must also confirm the reduction of capital of Covidien that would be effected by EGM resolution #2, which is a necessary step in the implementation of the scheme.

Covidien intends to issue an application to the Irish High Court to set a date for the hearing to sanction the scheme and the reduction of capital, which hearing will not occur until after the special meetings of the Medtronic and Covidien shareholders and following the receipt of all required regulatory approvals. The precise timing of Covidien s application will depend on the expected timing of the receipt of any outstanding regulatory approvals once the requisite Medtronic and Covidien shareholder approvals are obtained. The date ultimately set by the Irish High Court for the sanction hearing is at the Court s discretion and will depend on a number of factors, including court availability.

The creation of distributable reserves of New Medtronic, which involves a reduction of New Medtronic s share premium account, also requires the approval of the Irish High Court. See *Creation of Distributable Reserves of New Medtronic*.

Payment of Consideration

Settlement of the scheme consideration to which any Covidien shareholder is entitled will be paid to Covidien shareholders of record within 14 days of completion of the transaction. For further information regarding the settlement of consideration, see *Part 2 Explanatory Statement Settlements, Listings and Dealings.*

NO DISSENTERS RIGHTS

Under the MBCA, holders of Medtronic common shares do not have appraisal or dissenters rights with respect to the merger or any of the other transactions described in this joint proxy statement/prospectus.

Under Irish law, holders of Covidien ordinary shares do not have appraisal or dissenters rights with respect to the acquisition or any of the other transactions described in this joint proxy statement/prospectus.

ACCOUNTING TREATMENT OF THE TRANSACTION

Medtronic will account for the acquisition pursuant to the Transaction Agreement using the acquisition method of accounting in accordance with U.S. GAAP. Medtronic will measure the assets acquired and liabilities assumed at their fair values including net tangible and identifiable intangible assets acquired and liabilities assumed as of the closing of the transaction. Any excess of the purchase price over those fair values will be recorded as goodwill.

Definite lived intangible assets will be amortized over their estimated useful lives. Intangible assets with indefinite useful lives and goodwill will not be amortized but will be tested for impairment at least annually. All intangible assets and goodwill are also tested for impairment when certain indicators are present.

The purchase price reflected in the unaudited pro forma condensed combined financial statements is based on preliminary estimates using assumptions Medtronic management believes are reasonable based on currently available information. The final purchase price and fair value assessment of assets and liabilities will be based in part on a detailed valuation which has not yet been completed.

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MATERIAL TAX CONSEQUENCES OF THE PROPOSED TRANSACTION

This section contains a general discussion of material tax consequences of (i) the proposed transaction and (ii) the ownership and disposition of New Medtronic ordinary shares after the proposed transaction.

The discussion under the caption *Material Tax Consequences of the Proposed Transaction U.S. Federal Income Tax Considerations* addresses (i) application of the U.S. anti-inversion rules to Medtronic and New Medtronic, (ii) the material U.S. federal income tax consequences of the merger to Medtronic and New Medtronic, and (iii) the material U.S. federal income tax consequences to U.S. holders (as defined below) of (a) exchanging Medtronic common shares for New Medtronic ordinary shares in the merger, (b) exchanging Covidien ordinary shares for New Medtronic ordinary shares and cash in the scheme of arrangement and (c) owning and disposing of New Medtronic ordinary shares received in the proposed transaction.

The discussion of the proposed transaction and of ownership and disposition of shares received in the proposed transaction under *Material Tax Consequences of the Proposed Transaction Irish Tax Considerations* addresses certain Irish tax considerations of the proposed transaction and subsequent ownership and disposition of New Medtronic ordinary shares.

The discussion below is not a substitute for an individual analysis of the tax consequences of the proposed transaction or ownership and disposition of shares of New Medtronic after the proposed transaction. Holders should consult their own tax advisor regarding the particular U.S. (federal, state and local), Irish and other non-U.S. tax consequences of these matters in light of their particular situation.

U.S. Federal Income Tax Considerations

Scope of Discussion

The following discussion describes material U.S. federal income tax consequences of the scheme and the merger generally expected to be applicable to the U.S. holders (as defined below) of Medtronic common shares and Covidien ordinary shares and the ownership and disposition of New Medtronic ordinary shares after the proposed transaction.

The summary is based upon the existing provisions of the Code, applicable Treasury Regulations, judicial authority, administrative rulings effective as of the date hereof, and the income tax treaty between Ireland and the United States, which is referred to in this joint proxy statement/prospectus as the Tax Treaty. These laws and authorities are subject to change, possibly with retroactive effect. Any such change, which may or may not be retroactive, could alter the tax consequences to the holders of Medtronic common shares, Covidien ordinary shares and New Medtronic ordinary shares as described herein. The discussion below does not address any state, local or foreign or any U.S. federal tax consequences other than U.S. federal income tax consequences, such as estate and gift tax or Medicare contribution tax consequences. The tax treatment of the proposed transaction to U.S. holders will vary depending upon their particular situations. U.S. holders should consult their own tax advisors concerning the U.S. federal income tax consequences to them in light of their particular situation, as well as any consequences arising under the laws of any other taxing jurisdiction.

This discussion deals only with Medtronic common shares, Covidien ordinary shares and New Medtronic ordinary shares held as capital assets within the meaning of Section 1221 of the Code (generally, property held for investment). This discussion is intended only as a summary of material U.S. federal income tax consequences of the proposed transaction and does not purport to be a complete analysis or listing of all of the potential tax effects relevant to a decision on whether to approve the proposed transaction. In particular, this discussion does not deal with all U.S.

federal income tax considerations that may be relevant to particular holders in light of their particular circumstances, such as holders who are dealers in securities; are subject to the alternative minimum tax provisions of the Code; are non-resident aliens present in the United States for 183 days or more in the calendar year of the proposed transaction; are banks, financial institutions or insurance companies; are tax-exempt entities;

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acquired their Medtronic common shares or Covidien ordinary shares in connection with stock option or stock purchase plans or in other compensatory transactions; hold Medtronic common shares, Covidien ordinary shares or New Medtronic ordinary shares as part of an integrated investment (including a straddle) comprised of Medtronic common shares, Covidien ordinary shares or New Medtronic ordinary shares, as the case may be, and one or more other positions; own or are deemed to own 5% or more of Covidien ordinary shares; own or are deemed to own 10% or more of New Medtronic voting stock; hold Medtronic common shares, Covidien ordinary shares or New Medtronic ordinary shares subject to the constructive sale provisions of Section 1259 of the Code; or use a functional currency that is not the U.S. dollar. If a partnership (or entity treated as a partnership for U.S. federal income tax purposes) holds Medtronic common shares, Covidien ordinary shares or New Medtronic ordinary shares, the tax treatment of a partner generally will depend on the status of the partner and on the activities of the partnership. Partners of partnerships holding Medtronic common shares, Covidien ordinary shares or New Medtronic ordinary shares should consult their tax advisers.

As used herein, the term U.S. holder means a beneficial owner of Medtronic common shares, Covidien ordinary shares or New Medtronic ordinary shares that is an individual citizen or resident of the United States, that is a domestic corporation (or other entity taxable as a corporation for U.S. federal income tax purposes) created or organized in the United States or under the laws of the United States or any subdivision thereof, or that is otherwise subject to U.S. federal income tax on a net income basis in respect of such shares. The term non-U.S. holder means a beneficial owner of Medtronic common shares, Covidien ordinary shares or New Medtronic ordinary shares other than a U.S. holder.

U.S. holders should consult their own tax advisers regarding the consequences of the proposed transaction to them if they do not qualify as residents of the United States for purposes of the Tax Treaty; if their Medtronic common shares, Covidien ordinary shares or New Medtronic ordinary shares are effectively connected with such U.S. holder s permanent establishment in Ireland for purposes of the Tax Treaty; or if they otherwise fail to qualify for the full benefits of the Tax Treaty.

U.S. Anti-Inversion Rules

As described above under *Risk Factors Risks Relating to the Businesses of the Combined Company,* under the Section 7874 anti-inversion rules, although New Medtronic is incorporated in Ireland, New Medtronic would be treated as a U.S. corporation (and, therefore, a U.S. tax resident) for U.S. federal income tax purposes if the former shareholders of Medtronic hold 80 percent or more of the vote or value of the shares of New Medtronic by reason of holding stock in Medtronic (the ownership test), and New Medtronic s expanded affiliated group after the merger does not have substantial business activities in Ireland relative to its worldwide activities (the substantial business activities test). Based on the rules for determining share ownership under Section 7874, the Medtronic shareholders will receive approximately 70% of the ordinary shares of New Medtronic (by both vote and value) by reason of holding stock in Medtronic. Therefore, under current law, New Medtronic should not be treated as a U.S. corporation for U.S. federal income tax purposes. The proposed rules described in the IRS Notice issued on September 22, 2014 do not alter this conclusion.

However, as described above under *Risk Factors Risks Relating to the Businesses of the Combined Company,* it is possible that there could be a change in law under Section 7874 or otherwise that could, prospectively or retroactively, affect New Medtronic s status as a foreign corporation for U.S. federal income tax purposes. The disclosure that follows assumes that New Medtronic will not be treated as a U.S. corporation. The U.S. tax consequences of the scheme and the merger, as applicable, to holders of Covidien ordinary shares or Medtronic common shares, respectively, and the consequences of owning New Medtronic ordinary shares, would be materially different if, notwithstanding our expectation, New Medtronic were to be treated as a U.S. corporation. See the discussion above

under *Risk Factors Risks Relating to the Businesses of the Combined Company.*

Potential Limitation on the Utilization of Medtronic s (and its U.S. Affiliates) Tax Attributes

Following the acquisition of a U.S. corporation by a foreign corporation, Section 7874 can limit the ability of the acquired U.S. corporation and its U.S. affiliates to utilize U.S. tax attributes (including net operating losses

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and certain tax credits) to offset U.S. taxable income resulting from certain transactions. Specifically, if (1) substantially all the assets of a U.S. corporation are directly or indirectly acquired by a foreign corporation, (2) the shareholders of the acquired U.S. corporation hold at least 60% (but less than 80%), by either vote or value, of the shares of the foreign acquiring corporation by reason of holding shares in the U.S. corporation, and (3) the foreign corporation does not satisfy the substantial business activities test, the taxable income of the U.S. corporation (and any person related to the U.S. corporation) for any given year, within a ten-year period beginning on the last date the U.S. corporation s properties were acquired, will be no less than that person s inversion gain for that taxable year. A person s inversion gain includes gain from the transfer of shares or any other property (other than property held for sale to customers) and income from the license of any property that is either transferred or licensed as part of the acquisition, or, if after the acquisition, is transferred or licensed to a foreign related person.

Pursuant to the Transaction Agreement, New Medtronic will indirectly acquire all of Medtronic s assets at the effective time of the merger. The Medtronic shareholders are expected to receive at least 60% (but less than 80%) of the vote and value of the New Medtronic ordinary shares by reason of holding Medtronic common shares. Medtronic currently expects that the substantial business activities test will not be satisfied. As a result, Medtronic and its U.S. affiliates could be limited in their ability to utilize their U.S. tax attributes to offset their inversion gain, if any. However, neither Medtronic nor its U.S. affiliates expect to recognize any inversion gain as part of the proposed transaction, nor do they currently intend to engage in any transaction in the near future that would generate inversion gain. In addition, Medtronic expects that it will be able to utilize substantially all of its U.S. net operating losses and tax credits prior to their expiration, to offset U.S. taxable income generated after the proposed transaction through ordinary business operations. If, however, Medtronic or its U.S. affiliates were to engage in any transaction that would generate any inversion gain in the future, they would not be able to offset such gain with their U.S. tax attributes. Additionally, if Medtronic does not generate taxable income consistent with its expectations, it is possible that Medtronic and its U.S. affiliates may not be able to fully utilize their U.S. tax attributes prior to their expiration.

U.S. Federal Income Tax Treatment of the Proposed Transaction

Tax Consequences to Medtronic, Covidien and New Medtronic

None of Covidien or New Medtronic are expected to be subject to U.S. federal income tax as a result of the merger or the scheme. On September 22, 2014, the U.S. Treasury Department and the IRS issued the IRS Notice, announcing their intention to issue regulations interpreting multiple sections of the Code, including Section 7874, to address inversion transactions and transactions that Treasury and the IRS characterize as post-inversion tax avoidance transactions. When issued, such regulations would apply to transactions completed on or after September 22, 2014. Such regulations would impose additional U.S. taxes on certain transactions involving the acquired U.S. corporation s controlled foreign subsidiaries. As a result, Medtronic may recognize taxable income if New Medtronic were to engage in transactions addressed by the IRS Notice in connection with, or after completion of, the merger and the acquisition. Whether New Medtronic engages in any such transactions will be determined in the future based on an assessment of the costs and benefits of engaging in such transactions in light of the regulations. Additionally, Medtronic may be subject to limitations on the utilization of its tax attributes, as described above under *U.S. Anti-Inversion Rules Potential Limitation on the Utilization of Medtronic s (and Its U.S. Affiliates) Tax Attributes.*

Tax Consequences of the Merger to Holders of Medtronic Common Shares

U.S. holders. The receipt of New Medtronic ordinary shares and cash in lieu of a fractional New Medtronic ordinary share in exchange for Medtronic common shares pursuant to the merger will be a taxable transaction for U.S. federal income tax purposes to a U.S. holder of Medtronic common shares. Subject to the discussion below relating to the potential application of Section 304 of the Code under *Special Consequences of the Merger to Holders of Medtronic*

Common Shares That Also Own Covidien Ordinary Shares, or That Acquire Additional New Medtronic Ordinary Shares in Connection with the Transaction, a U.S. holder of Medtronic shares will

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generally recognize taxable gain or loss equal to the difference between (1) the shareholder s adjusted tax basis in the Medtronic common shares surrendered in the exchange and (2) the sum of the fair market value of the New Medtronic ordinary shares and any cash in lieu of fractional New Medtronic ordinary shares received as consideration in the merger. A U.S. holder will not receive any cash (other than cash in lieu of fractional shares, if any) in the merger to fund the tax required to be paid as a result of the merger and will have to pay such tax from other sources. Such gain or loss must be determined separately for separate blocks of Medtronic stock (*i.e.*, shares acquired at different times and prices).

A U.S. holder s adjusted basis in the Medtronic common shares generally will equal the holder s purchase price for such Medtronic common shares, as adjusted to take into account stock dividends, stock splits, or similar transactions.

Any gains or losses recognized by a U.S. holder on the receipt of New Medtronic ordinary shares and cash in lieu of fractional New Medtronic ordinary shares for Medtronic common shares generally will be capital gain or loss. Capital gains of non-corporate U.S. holders (including individuals) will be eligible for the preferential U.S. federal income tax rates applicable to long-term capital gains if the U.S. holder has held its Medtronic common shares for more than one year as of the closing date of the proposed transaction. The deductibility of capital losses is subject to limitations.

A U.S. holder s initial tax basis in the New Medtronic ordinary shares it receives in the merger will equal the fair market value of such shares.

U.S. holders who hold shares of both Medtronic and Covidien, or who acquire a percentage interest in New Medtronic that is greater than or equal to their percentage interest in Medtronic as a result of stock purchases undertaken in connection with the transaction, may be subject to different treatment in the merger, as described below under *Special Consequences Under Section 304 to Holders of Medtronic Common Shares or Covidien Ordinary Shares, or That Acquire Additional New Medtronic Ordinary Shares in Connection with the Transaction.*

All U.S. holders are urged to consult their advisors as to the particular consequences of the exchange of Medtronic common shares for New Medtronic ordinary shares pursuant to the merger.

Non-U.S. holders. Subject to the discussion below relating to the potential application of Section 304 of the Code under *Special Consequences of the Merger to Holders of Medtronic Common Shares That Also Own Covidien Ordinary Shares, or That Acquire Additional New Medtronic Ordinary Shares in Connection with the Transaction,* and subject to the discussion below under *Information Reporting, Backup Withholding, and Foreign Account Compliance in the Merger,* a non-U.S. holder that exchanges Medtronic common shares for New Medtronic ordinary shares and cash in lieu of fractional shares in the merger generally will not be subject to U.S. federal income or withholding tax on its gain. However, as described below under *Special Consequences of the Merger to Holders of Medtronic Common Shares That Also Own Covidien Ordinary Shares, or That Acquire Additional New Medtronic Ordinary Shares in Connection with the Transaction Section 304 dividend taxation to a non-U.S. holder,* certain non-U.S. holders may be subject to U.S. withholding tax at a 30% rate on the full amount of the consideration received in the merger. As a result, withholding agents may withhold at a 30% rate against all non-U.S. holders, unless a withholding agent has established special procedures allowing non-U.S. holders that are exempt from such withholding tax to certify their exemption to the withholding agent. If a withholding agent withholds a portion of the merger consideration payable to a non-U.S. holder that is exempt from such withholding, the non-U.S. holder may apply for a refund. Holders whose gain is effectively connected with the conduct of a trade or business in the United States should see the discussion above under *U.S. holders*.

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Special Consequences of the Merger to Holders of Medtronic Common Shares That Also Own Covidien Ordinary Shares, or That Acquire Additional New Medtronic Ordinary Shares in Connection with the Transaction

In general. The receipt of consideration by holders of Medtronic common shares in the merger is subject to Section 304 of the Code. As a result, and as further described below, instead of recognizing taxable gain or loss as described above, a holder of Medtronic common shares whose percentage ownership interest in New Medtronic immediately after the proposed transaction is not lower than its percentage ownership interest in Medtronic prior to the proposed transaction by an amount that satisfies the substantially disproportionate or not essentially equivalent to a dividend test described below, may recognize dividend income in an amount up to the fair market value of the New Medtronic ordinary shares received in the merger, regardless of its gain realized in the merger. Thus, Section 304 generally will apply to a holder of Medtronic common shares if the holder owns (including by attribution) a percentage interest in Covidien that is greater than or equal to the percentage interest the holder owns in Medtronic immediately before the transaction. The ownership percentage of a holder immediately after the proposed transaction will be determined after taking into account sales (or purchases) of New Medtronic ordinary shares made by such holder (or by persons whose shares are attributed to the holder) in connection with the proposed transaction.

The dividend treatment under Section 304 only applies if a holder s receipt of New Medtronic ordinary shares and cash in lieu of fractional shares in exchange for its Medtronic common shares in the merger is not substantially disproportionate with respect to such holder, or is not essentially equivalent to a dividend. As discussed below, that determination generally requires a comparison of (x) the percentage of the outstanding stock of Medtronic that the holder is deemed actually and constructively to have owned immediately before the merger and (y) the percentage of the outstanding stock of Medtronic that is actually and constructively owned by the holder immediately after the merger (including indirectly as a result of owning stock in New Medtronic and taking into account any shares of New Medtronic received in exchange for Covidien ordinary shares actually or constructively owned by such holder, or otherwise acquired in connection with the transaction).

The merger will generally result in a substantially disproportionate exchange with respect to a holder if the percentage described in (y) above is less than 80% of the percentage described in (x) above. Whether the merger results in an exchange that is not essentially equivalent to a dividend with respect to a holder will depend on such holder s particular circumstances. At a minimum, however, for the merger to be not essentially equivalent to a dividend, it must result in a meaningful reduction in the holder s deemed percentage stock ownership of Medtronic, as determined by comparing the percentage described in (y) above to the percentage described in (x) above. The IRS has indicated in a revenue ruling that a minority stockholder in a publicly traded corporation will experience a meaningful reduction if the minority stockholder (i) has a minimal percentage stock interest, (ii) exercises no control over corporate affairs and (iii) experiences any reduction in its percentage stock interest.

In applying the above tests, a holder may, under constructive ownership rules, be deemed to own stock that is owned by other persons or stock underlying a holder s option to purchase stock in addition to the stock actually owned by the holder. In addition, as noted above, in applying the substantially disproportionate and not essentially equivalent to a dividend tests to a holder, sales (or purchases) of New Medtronic ordinary shares made by such holder (or by persons whose shares are attributed to the holder) in connection with the proposed transaction will be taken into account. Holders should consult their own tax advisors regarding the application of these tests to them in light of their particular circumstances.

If, as described above, a holder is treated as receiving a distribution under Section 304 of the Code in respect of the New Medtronic ordinary shares it receives in the merger, such distribution will be taxable as a dividend (in an amount equal to the fair market value of the New Medtronic ordinary shares received) to the extent of such holder s allocable share of the earnings and profits of Medtronic. The amount of such a dividend will be taxed to a holder as described

below under *Section 304 dividend taxation to a U.S. holder* or *Section 304 dividend taxation to a non-U.S. holder,* as applicable. To the extent that the amount of any distribution under

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Section 304 exceeds Medtronic s current and accumulated earnings and profits for the taxable year of the merger, the distribution will first be treated as a tax-free return of capital, causing a reduction in the adjusted tax basis of the holder s Medtronic common shares, and to the extent the amount of the distribution exceeds such tax basis, the excess will be taxed as capital gain recognized on a sale or exchange. The amount of any such gain will be taxed as described above under *Tax Consequences of the Merger to Holders of Medtronic Common Shares U.S. holders* and *Non-U.S. holders,* as applicable.

Section 304 and the regulations and guidance thereunder are complex. A holder that actually or constructively owns both Medtronic common shares and Covidien ordinary shares, or that purchases additional New Medtronic ordinary shares in connection with the transaction, should consult its own tax advisors with respect to the application of Section 304 in its particular circumstances (including as to its tax basis in the shares subject to Section 304). A holder of Medtronic common shares that also owns Covidien ordinary shares should consult its own tax advisors regarding the possible desirability of selling its shares in either Medtronic or Covidien prior to the transaction or in New Medtronic immediately after the transaction.

Section 304 dividend taxation to a U.S. holder. Non-corporate U.S. holders may be eligible for a reduced rate of taxation on deemed dividends arising under Section 304, subject to exceptions for short-term and hedged positions.

To the extent that a corporate U.S. holder of Medtronic common shares is treated as having received a dividend as a result of Section 304, such dividend will constitute an extraordinary dividend within the meaning of Section 1059 of the Code. Section 1059 will require a corporate U.S. holder entitled to a dividends received deduction for such dividend to apply the amount of the non-taxed portion of the dividend against its tax basis in its Medtronic common shares and to recognize gain to the extent the non-taxed portion of the dividend exceeds its tax basis in those shares. The amount of any such gain will be taxed as described above under *Tax Consequences of the Merger to Holders of Medtronic Common Shares U.S. holders.*

Section 304 dividend taxation to a non-U.S. holder. The payment of any amounts treated as a dividend to a non-U.S. holder of Medtronic common shares (including the fair market value of the New Medtronic ordinary shares received by a non-U.S. holder in the merger in the event the exchange is treated as giving rise to a dividend under Section 304) generally will be subject to U.S. withholding tax at a 30% rate (or lower rate under an applicable U.S. income tax treaty). The payment of any such amounts may also be subject to other withholding, and the applicable withholding agent may reduce consideration paid in the merger to cash to pay any withholding tax, as described below under *Information Reporting, Backup Withholding and Foreign Account Compliance in the Merger*. Because Medtronic cannot determine its current and accumulated earnings and profits until the end of its taxable year, withholding at the rate of 30% or applicable lower treaty rate will generally be imposed on the gross amount of any merger consideration treated as a distribution to a non-U.S. holder. In order to obtain a reduced rate of withholding under a tax treaty, a non-U.S. holder claiming such reduced rates will be required to deliver a properly completed Form W-8BEN to the applicable withholding agent before the consideration is paid pursuant to the merger. Non-U.S. holders may seek a refund from the IRS of amounts withheld on distributions in excess of their allocable share of Medtronic s current and accumulated earnings and profits, to the extent such amounts are not otherwise subject to U.S. federal income tax.

Information Reporting, Backup Withholding, and Foreign Account Compliance in the Merger

Except in the case of corporations or other exempt holders, consideration paid to a U.S. holder in the merger (either as proceeds from a sale or exchange of Medtronic common shares or as a dividend under Section 304) may be subject to U.S. information reporting requirements and may be subject to backup withholding unless the U.S. holder provides an accurate taxpayer identification number on a properly completed IRS Form W-9 (or appropriate successor form) and certifies that no loss of exemption from backup withholding has occurred. Non-U.S. holders may be required to

comply with certification and identification procedures in order to establish an

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exemption from information reporting and backup withholding. The amount of any backup withholding will be allowed as a refund or credit against a holder s U.S. federal income tax liability, provided that certain required information is timely furnished to the IRS.

A holder that receives a dividend under Section 304 of the Code should be aware that a U.S. law commonly referred to as FATCA potentially imposes a withholding tax of 30% on payments of dividends on the equity of a U.S. issuer after June 30, 2014, to (a) a foreign financial institution (as a beneficial owner or as an intermediary), unless such institution enters into an agreement with the U.S. government (or is required by applicable local law under an intergovernmental agreement with the U.S. government) to collect and provide to the U.S. or other relevant tax authorities certain information regarding U.S. account holders of such institution; or (b) a foreign entity (as a beneficial owner) that is not a financial institution unless such entity provides the withholding agent with a certification that it does not have any substantial U.S. owners or that identifies its substantial U.S. owners, which generally includes any specified U.S. person that directly or indirectly owns more than a specified percentage of such entity. Non-U.S. holders, and any U.S. holders that own Medtronic common shares through a non-U.S. intermediary, should consult their own tax advisor regarding foreign account tax compliance, and the possibility of FATCA withholding on a dividend paid from Medtronic s earnings and profits as described above under *Special Consequences of the Merger to Holders of Medtronic Common Shares That Also Own Covidien Ordinary Shares, or That Acquire Additional New Medtronic Ordinary Shares in Connection with the Transaction*.

If a holder is subject to U.S. federal income tax withholding, backup withholding or FATCA withholding on all or any portion of the consideration received in the merger, then the applicable withholding agent will generally be required to withhold the appropriate amount even though there is insufficient cash from which to satisfy its withholding obligation. To satisfy this withholding obligation, the applicable withholding agent may collect the amount of U.S. federal income tax required to be withheld by reducing to cash for remittance to the IRS a sufficient portion of the New Medtronic ordinary shares that such holder would otherwise receive, and such holder may bear brokerage or other costs for this withholding procedure.

Tax Consequences of the Scheme to Holders of Covidien Ordinary Shares

U.S. holders. The receipt of cash and New Medtronic ordinary shares for Covidien ordinary shares pursuant to the scheme will be a taxable transaction for U.S. federal income tax purposes to a U.S. holder of Covidien ordinary shares. Subject to the discussion below relating to the potential application of Section 304 of the Code under *Special Consequences of the Scheme to Holders of Covidien Ordinary Shares That Also Own Medtronic Common Shares, or That Acquire Additional New Medtronic Ordinary Shares in Connection with the Transaction,* a U.S. holder of Covidien ordinary shares will generally recognize taxable gain or loss equal to the difference between (1) the shareholder s adjusted tax basis in the Covidien ordinary shares surrendered in the exchange, and (2) the sum of the fair market value of the New Medtronic ordinary shares received and the amount of cash (including cash in lieu of fractional New Medtronic ordinary shares) received in the scheme. Such gain or loss must be determined separately for separate blocks of Covidien ordinary shares (*i.e.*, shares acquired at different times and prices).

A U.S. holder s adjusted basis in the Covidien ordinary shares generally will equal the holder s purchase price for such Covidien ordinary shares, as adjusted to take into account return of capital distributions, stock dividends, stock splits, or similar transactions.

Any gains or losses recognized by a U.S. holder on the receipt of New Medtronic ordinary shares and cash for Covidien ordinary shares pursuant to the scheme generally will be capital gain or loss. Capital gains of non-corporate U.S. holders (including individuals) will be eligible for the preferential U.S. federal income tax rates applicable to long-term capital gains if the U.S. holder has held its Covidien ordinary shares for more than one year as of the

closing date of the scheme. The deductibility of capital losses is subject to limitations.

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A U.S. holder s initial tax basis in the New Medtronic ordinary shares it receives pursuant to the scheme will equal the fair market value of such shares.

U.S. holders who hold shares of both Covidien and Medtronic, or who acquire a percentage interest in New Medtronic that is greater than or equal to their percentage interest in Covidien as a result of stock purchases undertaken in connection with the transaction, may be subject to different treatment in the scheme, as described below under *Special Consequences of the Scheme to Holders of Covidien Ordinary Shares That Also Own Medtronic Common Shares, or That Acquire Additional New Medtronic Ordinary Shares in Connection with the Transaction.* U.S. holders are urged to consult their tax advisors as to the particular consequences to them of exchanging their Covidien ordinary shares for New Medtronic ordinary shares and cash pursuant to the scheme.

Non-U.S. holders. Subject to the discussion below relating to the potential application of Section 304 of the Code under *Special Consequences of the Scheme to Holders of Covidien Ordinary Shares That Also Own Medtronic Common Shares, or That Acquire Additional New Medtronic Ordinary Shares in Connection with the Transaction,* and subject to the discussion below under *Information Reporting and Backup Withholding in the Scheme,* a non-U.S. holder that exchanges Covidien ordinary shares for New Medtronic ordinary shares and cash in lieu of fractional shares pursuant to the scheme generally will not be subject to U.S. federal income or withholding tax on its gain.

Special Consequences of the Scheme to Holders of Covidien Ordinary Shares That Also Own Medtronic Common Shares, or That Acquire Additional New Medtronic Ordinary Shares in Connection with the Transaction

In general. The receipt of cash consideration (but not New Medtronic ordinary shares) by holders of Covidien ordinary shares in the scheme may be subject to Section 304 of the Code if holders who own (including by attribution) 50% or more of the Covidien ordinary shares before the scheme own (including by attribution), immediately after the scheme, 50% or more of the New Medtronic ordinary shares, including by reason of such persons having also been Medtronic shareholders and receiving New Medtronic ordinary shares in the merger.

If Section 304 applies to the cash consideration received in the scheme, then as described below, instead of recognizing taxable gain or loss as described above in respect of such cash consideration, a holder of Covidien ordinary shares whose percentage ownership interest in New Medtronic immediately after the proposed transaction is not lower than its percentage ownership interest in Covidien prior to the proposed transaction by an amount that satisfies the substantially disproportionate or not essentially equivalent to a dividend test described below, may recognize dividend income in an amount up to the amount of cash consideration received in the scheme, regardless of the gain realized in the scheme. Thus, Section 304 generally will potentially apply to a holder of Covidien ordinary shares if the holder owns (including by attribution) a percentage interest in Medtronic that is greater than or equal to the percentage interest that the holder owns in Covidien immediately before the proposed transaction. The ownership percentage of a holder immediately after the proposed transaction will be determined after taking into account sales (or purchases) of New Medtronic ordinary shares made by such holder (or by persons whose shares are attributed to the holder) in connection with the proposed transaction.

The dividend treatment under Section 304 only applies if a holder s receipt of cash consideration in exchange for its Covidien ordinary shares in the scheme is not substantially disproportionate with respect to such holder, or is not essentially equivalent to a dividend. As discussed below, that determination generally requires a comparison of (x) the percentage of the outstanding stock of Covidien that the holder is deemed actually and constructively to have owned immediately before the scheme and (y) the percentage of the outstanding stock of Covidien that is actually and constructively owned by the holder immediately after the scheme (including indirectly as a result of owning stock in New Medtronic and taking into account any shares of New Medtronic received in the merger for Medtronic stock

actually or constructively owned by such holder, or otherwise acquired in connection with the transaction).

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The scheme will generally result in a substantially disproportionate exchange with respect to a holder if the percentage described in (y) above is less than 80% of the percentage described in (x) above. Whether the scheme results in an exchange that is not essentially equivalent to a dividend with respect to a holder will depend on such holder s particular circumstances. At a minimum, however, for the scheme to be not essentially equivalent to a dividend, it must result in a meaningful reduction in the holder s deemed percentage stock ownership of Covidien, as determined by comparing the percentage described in (y) above to the percentage described in (x) above. The IRS has indicated in a revenue ruling that a minority stockholder in a publicly traded corporation will experience a meaningful reduction if the minority stockholder (i) has a minimal percentage stock interest, (ii) exercises no control over corporate affairs and (iii) experiences any reduction in its percentage stock interest.

In applying the above tests, a holder may, under constructive ownership rules, be deemed to own stock that is owned by other persons or stock underlying a holder s option to purchase stock in addition to the stock actually owned by the holder. In addition, as noted above, in applying the substantially disproportionate and not essentially equivalent to a dividend tests to a holder, sales (or purchases) of New Medtronic ordinary shares made by such holder (or by persons whose shares are attributed to the holder) in connection with the proposed transaction will be taken into account. Holders should consult their own tax advisors regarding the application of these tests to them in light of their particular circumstances.

Even if Section 304 applies to the cash portion of the consideration received in the scheme, it should not apply to the portion of the consideration paid in New Medtronic ordinary shares. The U.S. federal income tax treatment of a holder s receipt of such consideration in the proposed transaction will be as described above under *Tax Consequences of the Proposed Transaction to Holders of Covidien Ordinary Shares,* except that the cash consideration would be disregarded for purposes of determining taxable gain or loss.

Section 304 and the regulations and guidance thereunder are complex. A holder that actually or constructively owns both Covidien ordinary shares and Medtronic common shares, or that purchases additional New Medtronic ordinary shares in connection with the transaction, should consult its own tax advisors with respect to the application of Section 304 in its particular circumstances (including as to its tax basis in the shares subject to Section 304). A holder of Covidien ordinary shares that also owns Medtronic common shares should consult its own tax advisors regarding the possible desirability of selling its shares in either Covidien or Medtronic prior to the transaction, or in New Medtronic immediately after the transaction.

U.S. holders. If, as described above, a U.S. holder is treated as receiving a distribution under Section 304 of the Code in respect of the cash consideration it receives for its Covidien ordinary shares in the scheme, such distribution will be taxable as a dividend to the extent of such holder s allocable share of Covidien s current and accumulated earnings and profits. Because Covidien does not currently and does not in the future expect to maintain calculations of its earnings and profits under U.S. federal income tax principles, it is expected that distributions paid to U.S. holders generally will be reported as dividends.

Non-corporate U.S. holders will generally be eligible to treat dividends arising under Section 304 as qualified dividend income taxable at a maximum rate of 20%, with certain exceptions for short-term and hedged positions. The amount of such a dividend generally will not be eligible for the dividends received deduction allowed to corporate U.S. holders in respect of dividends from U.S. corporations.

Non-U.S. holders. Non-U.S. holders generally will not be subject to U.S. federal income tax on cash consideration received in the scheme and treated as a distribution under Section 304, subject to the discussion below under *Information Reporting and Backup Withholding in the Scheme*.

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Information Reporting and Backup Withholding in the Scheme

Except in the case of corporations or other exempt holders, consideration paid to a U.S. holder in the scheme (either as proceeds from a sale or exchange of Covidien ordinary shares or as a distribution under Section 304) may be subject to U.S. information reporting requirements and may be subject to backup withholding unless the U.S. holder provides an accurate taxpayer identification number on a properly completed IRS Form W-9 (or appropriate successor form) and certifies that no loss of exemption from backup withholding has occurred. Non-U.S. holders may be required to comply with certification and identification procedures in order to establish an exemption from information reporting and backup withholding on such amounts. The amount of any backup withholding will be allowed as a credit against the holder s U.S. federal income tax liability and may entitle the holder to a refund, provided that certain required information is timely furnished to the IRS.

Tax Consequences to U.S. Holders of Holding Shares in New Medtronic

U.S. Holders

Dividends. The gross amount of cash distributions on New Medtronic ordinary shares will be taxable to a U.S. holder as dividends to the extent paid out of New Medtronic s current or accumulated earnings and profits as determined for U.S. federal income tax purposes. Such dividends will be includible in a U.S. holder s gross income as ordinary income on the day actually or constructively received. Such dividends will not be eligible for the dividends received deduction allowed to corporations under the Code.

Subject to exceptions for short-term and hedged positions, non-corporate U.S. holders (including individuals) may be eligible for reduced rates of taxation applicable to qualified dividend income on certain dividends if (i) New Medtronic is eligible for the benefits of a comprehensive income tax treaty with the United States which the U.S. Treasury Department determines to be satisfactory for purposes of the qualified dividend rules (a qualified foreign corporation), and (ii) New Medtronic was not, in its taxable year prior to the distribution, and is not, in its taxable year of the distribution, a PFIC. The U.S. Treasury Department has determined that the Tax Treaty meets these requirements, and New Medtronic believes that it is eligible for benefits under the Tax Treaty. New Medtronic believes it will not be a PFIC in the taxable year in which the proposed transaction closes, and does not anticipate becoming a PFIC in the following taxable year.

To the extent that the amount of any distribution exceeds New Medtronic s current and accumulated earnings and profits for a taxable year, as determined under U.S. federal income tax principles, the distribution will first be treated as a tax-free return of capital, causing a reduction in the adjusted tax basis of the U.S. holder s New Medtronic ordinary shares, and to the extent the amount of the distribution exceeds such tax basis, the excess will be taxed as capital gain recognized on a sale or exchange.

Capital gains. For U.S. federal income tax purposes, a U.S. holder will recognize taxable gain or loss on any sale or exchange of a New Medtronic ordinary share in an amount equal to the difference between the amount realized for the share and its tax basis in the share. A U.S. holder s tax basis in the New Medtronic ordinary shares received in the merger or the scheme, respectively, will equal the fair market value of the New Medtronic ordinary shares at the time of the exchange. The gain or loss recognized by a U.S. holder on the sale or exchange will generally be capital gain or loss. Capital gains of non-corporate U.S. holders will be eligible for the preferential U.S. federal income tax rates applicable to long-term capital gains if the U.S. holder has held its New Medtronic ordinary shares for more than one year as of the date of the sale or exchange. The deductibility of capital losses is subject to limitations.

Information reporting and backup withholding. Except in the case of corporations or other exempt holders, dividends paid by New Medtronic to a U.S. holder may be subject to U.S. information reporting requirements and may be subject to backup withholding unless the U.S. holder provides an accurate taxpayer identification number on a properly completed IRS Form W-9 and certifies that no loss of exemption from backup withholding has occurred. The amount of any backup withholding will be allowed as a credit against the U.S. holder s U.S.

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federal income tax liability and may entitle the U.S. holder to a refund, provided that certain required information is timely furnished to the IRS.

Specified foreign financial assets. Individual U.S. holders that own specified foreign financial assets with an aggregate value in excess of $50,000 are generally required to file an information statement along with their tax returns, currently on Form 8938, with respect to such assets. Specified foreign financial assets include any financial accounts held at a non-U.S. financial institution, as well as securities issued by a non-U.S. issuer (which would include the New Medtronic ordinary shares) that are not held in accounts maintained by financial institutions. Higher reporting thresholds apply to certain individuals living abroad and to certain married individuals. Regulations have been proposed that would extend this reporting requirement to certain entities that are treated as formed or availed of to hold direct or indirect interests in specified foreign financial assets based on certain objective criteria. U.S. holders who fail to report the required information could be subject to substantial penalties. U.S. holders should consult their own tax advisors concerning the application of these rules to their investment in New Medtronic, including the application of the rules to their particular circumstances.

Non-U.S. Holders

Non-U.S. holders generally will not be subject to U.S. federal income tax (including U.S. federal withholding tax) on dividends or capital gains in respect of New Medtronic ordinary shares.

Holders whose dividend or gain is effectively connected with the conduct of a trade or business in the United States should see the discussion above under *U.S. Holders*.

As noted above and discussed more fully under *Risk Factors Risks Relating to the Businesses of the Combined Company,* the consequences of owning New Medtronic ordinary shares would be materially different if New Medtronic were to be treated as a U.S. corporation.

Non-U.S. holders may be required to comply with certification and identification procedures in order to establish an exemption from information reporting and backup withholding.

Irish Tax Considerations

Scope of Discussion

The following discussion describes the material Irish tax consequences of (a) the scheme and the merger generally expected to be applicable to certain beneficial owners of Medtronic common shares and Covidien ordinary shares and (b) owning and disposing of New Medtronic ordinary shares received in the proposed transaction.

The summary is based upon Irish tax laws and the practice of the Irish Revenue Commissioners in effect on the date of this joint proxy statement/prospectus. Changes in law and/or administrative practice may result in alteration of the tax considerations described below. The summary does not constitute tax advice and is intended only as a general guide. Also it is not exhaustive and shareholders should consult their own tax advisors about the Irish tax consequences (and tax consequences under the laws of other relevant jurisdictions) of the transactions and of the acquisition, ownership and disposal of New Medtronic ordinary shares. The summary applies only to shareholders who will own New Medtronic ordinary shares as capital assets and does not apply to other categories of shareholders, such as dealers in securities, trustees, insurance companies, collective investment schemes, pension funds or

shareholders who have, or who are deemed to have, acquired their New Medtronic ordinary shares by virtue of an Irish office or employment (performed or carried on in Ireland).

Irish Tax on Chargeable Gains

Medtronic shareholders who are neither resident nor ordinarily resident in Ireland for Irish tax purposes and do not hold their shares in connection with a trade carried on by such shareholders through an Irish branch or

agency should not be within the charge to Irish tax on chargeable gains (Irish CGT) on the surrender of their Medtronic common stock, or on receipt of New Medtronic ordinary shares pursuant to the merger.

Covidien shareholders who are neither resident nor ordinarily resident in Ireland for Irish tax purposes and do not hold their shares in connection with a trade carried on by such shareholders through an Irish branch or agency should not be within the charge to Irish CGT on the disposal of their Covidien ordinary shares, or on the receipt of New Medtronic ordinary shares and cash pursuant to the scheme.

Medtronic shareholders or Covidien shareholders who are resident or ordinarily resident for tax purposes in Ireland, or who hold their shares in connection with a trade or business carried on by such holder in Ireland through a branch or agency, should consult their own tax advisors as to the Irish tax consequences of the merger and/or of the scheme.

New Medtronic shareholders who are neither resident nor ordinarily resident in Ireland for Irish tax purposes and do not hold their shares in connection with a trade carried on by such shareholders through an Irish branch or agency should not be liable for Irish CGT realized on a subsequent disposal of their New Medtronic ordinary shares.

Covidien Shareholders who Receive New Medtronic Ordinary Shares and Cash Under the Scheme

Covidien shareholders that are resident or ordinarily resident in Ireland for Irish tax purposes or that hold their Covidien shares in connection with a trade carried on by such persons through an Irish branch or agency (each an Irish Holder) will, subject to the availability of any exemptions and reliefs, generally be within the charge to Irish CGT in relation to the scheme.

For the purposes of Irish CGT:

(a) the receipt of New Medtronic shares pursuant to the scheme should be treated as a reorganization of Covidien s share capital;

(b) the effect should be that an Irish Holder s holding of New Medtronic shares received pursuant to the scheme should be treated as the same asset, acquired at the same time and for the same consideration, as the holding of Covidien shares held by that Irish Holder immediately prior to the scheme;

(c) in respect of cash received by an Irish Holder pursuant to the scheme, an Irish Holder should be treated as having made a part disposal of their holding for such cash amount. This may, subject to the Irish Holder s individual circumstances and any available exemption or relief, give rise to a chargeable gain (or allowable loss) for the purposes of Irish CGT;

(d) each Irish Holder s aggregate Irish CGT base cost in their holding of Covidien shares prior to the issue of New Medtronic shares should fall to be apportioned by apportioning the aggregate Irish CGT base cost between that part of the holding disposed of in consideration for the cash entitlement and that part of the holding which remains. The proportion of base cost attributable to the part of the holding disposed of should be equal to X/(X+Y) where X is the cash entitlement in respect of the Irish Holder s Covidien shares and Y is the market value of the Irish Holder s New Medtronic shares on the relevant date of disposal (converted into

euro, where necessary, using the exchange rate prevailing on that day) with such adjustment of the market value of any part of the New Medtronic shares as may be required to offset any liability attaching to the New Medtronic shares but forming part of the cost to be apportioned; and

(e) the sale, on behalf of relevant Irish Holders, of fractional entitlements may constitute a part disposal for Irish CGT purposes and a liability to Irish CGT may arise. However, where the relevant amount involved is small, and the Irish Holder agrees, the amount of any payment received by the Irish Holder may be deducted from the base cost of the New Medtronic shares received pursuant to the scheme.

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Computation and Treatment of Gains or Losses in Respect of the Cash Entitlement

(a) As noted in paragraph (c) above, an Irish Holder should be treated as having made a disposal of part of his holding of Covidien shares for consideration of an amount equal to the cash received in respect of their cancellation. This may, subject to the Irish Holder s individual circumstances and any available exemption or relief, give rise to a chargeable gain (or allowable loss) for the purposes of Irish CGT.

(b) Any gain or loss will be calculated by reference to the difference between the amount of cash received and the element of the Irish Holder s Irish CGT base cost in their holding of Covidien shares that is apportioned to the part of the holding disposed of as described in paragraph (d) above.

(c) For the purposes of such calculations, euro amounts must generally be used. Where an Irish Holder has given or received a non-euro amount in acquiring or being treated as disposing of assets, such euro amounts must be determined by reference to the relevant rate of exchange at the time of the relevant Irish CGT event. An Irish Holder receiving a dollar amount on the cancellation of the Covidien shares will therefore be required to convert that sum into euro by reference to the relevant rate of exchange as at the date on which the scheme becomes effective in accordance with its terms.

(d) The amount of Irish CGT, if any, payable as a consequence of the cancellation of the Covidien shares by an Irish Holder will depend on his or her own personal tax position. No Irish CGT should be payable on any gain realised on cancellation of the Covidien shares if the amount of the net chargeable gains realised by an Irish Holder, when aggregated with other net chargeable gains realised by that Irish Holder in the year of assessment (and after taking account of allowable losses), does not exceed the annual exemption (EUR( ) 1,270 for 2014). Broadly, any gains in excess of this amount will be taxed at a rate of 33%. Indexation allowance will not be available in respect of expenditure incurred on or after January 1, 2003 or in respect of periods of ownership after December 31, 2002.

Stamp Duty

The rate of stamp duty (where applicable) on transfers of shares of Irish incorporated companies is 1% of the price paid or the market value of the shares acquired, whichever is greater. Where Irish stamp duty arises it is generally a liability of the transferee.

The documents effecting the merger and the scheme should not attract Irish stamp duty.

Irish stamp duty may, depending on the manner in which the New Medtronic ordinary shares are held, be payable in respect of transfers of New Medtronic ordinary shares after the effective time.

Shares Held Through DTC

A transfer of New Medtronic ordinary shares effected by means of the transfer of book entry interests in DTC will not be subject to Irish stamp duty.

On the basis that most ordinary shares in New Medtronic are expected to be held through DTC, it is anticipated that most transfers of ordinary shares will be exempt from Irish stamp duty.

Shares Held Outside of DTC Transferred Into or Out of DTC

A transfer of New Medtronic ordinary shares where any party to the transfer holds such shares outside of DTC may be subject to Irish stamp duty. New Medtronic shareholders wishing to transfer their shares into (or out of) DTC may do so without giving rise to Irish stamp duty provided:

there is no change in the beneficial ownership of such shares as a result of the transfer; and

the transfer into (or out of) DTC is not effected in contemplation of a subsequent sale of such shares by a beneficial owner to a third party.

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Due to the potential Irish stamp duty charge on transfers of New Medtronic ordinary shares, it is strongly recommended that those shareholders who do not hold their shares through DTC (or through a broker who in turn holds such shares through DTC) should arrange for the transfer of their Medtronic shares into DTC as soon as possible and before the transactions are consummated. It is also strongly recommended that any person who wishes to acquire New Medtronic ordinary shares after the effective time of the transactions acquires such shares through DTC (or through a broker who in turn holds such shares through DTC).

Withholding Tax on Dividends

Dividends (or other returns to shareholders that are treated as distributions for Irish tax purposes) made by New Medtronic will, in the absence of one of many exemptions, be subject to Irish dividend withholding tax, which is referred to in this joint proxy statement/prospectus as DWT, currently at a rate of 20%.

For DWT purposes, a distribution includes any distribution that may be made by New Medtronic to its shareholders, including cash dividends, non-cash dividends and additional shares taken in lieu of a cash dividend.

Where an exemption does not apply in respect of a distribution made to a particular shareholder, New Medtronic is responsible for withholding DWT prior to making such distribution.

General Exemptions

The following is a general overview of the scenarios where it will be possible for New Medtronic to make payments of dividends without deduction of DWT.

Irish domestic law provides that a non-Irish resident shareholder is not subject to DWT on dividends received from New Medtronic if such shareholder is beneficially entitled to the dividend and is either:

- a person (not being a company) resident for tax purposes in a relevant territory (including the U.S.) and is neither resident nor ordinarily resident in Ireland (for a list of relevant territories for DWT purposes see Annex H to this joint proxy statement/prospectus);

- a company resident for tax purposes in a relevant territory, provided such company is not under the control, whether directly or indirectly, of a person or persons who is or are resident in Ireland;

- a company, wherever resident, that is controlled, directly or indirectly, by persons resident in a relevant territory and who is or are (as the case may be) not controlled by, directly or indirectly, persons who are not resident in a relevant territory ;

- a company, wherever resident, whose principal class of shares (or those of its 75% direct or indirect parent) is substantially and regularly traded on a stock exchange in Ireland, on a recognized stock exchange in a relevant territory or on such other stock exchange approved by the Irish Minister for Finance; or

a company, wherever resident, that is wholly owned, directly or indirectly, by two or more companies where the principal class of shares of each of such companies is substantially and regularly traded on a stock exchange in Ireland, on a recognized stock exchange in a relevant territory or on such other stock exchange approved by the Irish Minister for Finance;

and provided, in all cases noted above, New Medtronic or, in respect of shares held through DTC, any qualifying intermediary appointed by New Medtronic, has received from the shareholder, where required, the relevant Irish Revenue Commissioners DWT forms, which are referred to in this joint proxy statement/prospectus as DWT forms, prior to the payment of the dividend. In practice, in order to ensure sufficient time to process the receipt of relevant DWT forms, the shareholder where required should furnish the relevant DWT forms to:

its broker (and the relevant information should be further transmitted to any qualifying intermediary appointed by New Medtronic) before the record date for the dividend (or such later date before the dividend payment date as may be notified to the shareholder by the broker) if its shares are held through DTC, or

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New Medtronic s transfer agent, Wells Fargo Shareowner Services, at least seven business days before the record date for the dividend if its shares are held outside of DTC.

Links to the various DWT forms are available at: http://www.revenue.ie/en/tax/dwt/forms/index.html. Such forms are generally valid, subject to a change in circumstances, until December 31 of the fifth year after the year in which such forms were completed. For non-Irish resident shareholders who cannot avail themselves of one of Ireland s domestic law exemptions from DWT, it may be possible for such shareholders to rely on the provisions of a double tax treaty to which Ireland is party to reduce the rate of DWT.

Shares Held by U.S. Resident Shareholders

It is expected that dividends paid in respect of New Medtronic ordinary shares that are owned by U.S. residents and held through DTC should not be subject to DWT provided the addresses of the beneficial owners of such shares in the records of the broker holding such shares are in the U.S. It is strongly recommended that such shareholders ensure that their information is properly recorded by their brokers (so that such brokers can further transmit the relevant information to a qualifying intermediary appointed by New Medtronic).

Dividends paid in respect of New Medtronic ordinary shares that are held outside of DTC and are owned by residents of the U.S. will not be subject to DWT if such shareholders satisfy the conditions of one of the exemptions referred to above under the heading *General Exemptions*, including the requirement to furnish the appropriate and valid DWT form and/or a completed IRS Form 6166 to New Medtronic s transfer agent, Wells Fargo Shareowner Services, to confirm their U.S. residence at least seven business days before the record date for the dividend.

Former Covidien shareholders who hold New Medtronic shares will be able to rely on DWT forms previously filed with Covidien or Covidien s transfer agent or qualifying intermediary, provided such forms are still current and have not expired, to receive dividends without such withholding tax.

If any shareholder who is resident in the U.S. receives a dividend from which DWT has been withheld, the shareholder should generally be entitled to apply for a refund of such DWT from the Irish Revenue Commissioners, provided the shareholder is beneficially entitled to the dividend.

Shares Held by Residents of Relevant Territories Other Than the U.S.

Shareholders who are residents of relevant territories, other than the U.S. must satisfy the conditions of one of the exemptions referred to above under the heading General Exemptions, including the requirement to furnish valid DWT forms, in order to receive dividends without suffering DWT. If such shareholders hold their shares through DTC, they must provide the appropriate DWT forms to their brokers (so that such brokers can further transmit the relevant information to a qualifying intermediary appointed by New Medtronic) before the record date for the dividend (or such later date before the dividend payment date as may be notified to the shareholder by the broker). If such shareholders hold their shares outside of DTC, they must provide the appropriate DWT forms to New Medtronic s transfer agent, Wells Fargo Shareowner Services, at least seven business days before the record date for the dividend.

If any shareholder who is resident in a relevant territory receives a dividend from which DWT has been withheld, the shareholder may be entitled to a refund of DWT from the Irish Revenue Commissioners provided the shareholder is beneficially entitled to the dividend.

Former Covidien shareholders who hold New Medtronic shares will be able to rely on DWT forms previously filed with Covidien or Covidien s transfer agent or qualifying intermediary, provided such forms are still current and have not expired, to receive dividends without such withholding tax.

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Shares Held by Residents of Ireland

Most Irish tax resident or ordinarily resident shareholders (other than Irish resident companies that have completed the appropriate DWT forms) will be subject to DWT in respect of dividends paid on their New Medtronic ordinary shares.

Shareholders who are residents of Ireland, but are entitled to receive dividends without DWT, must complete the appropriate DWT forms and provide them to their brokers (so that such brokers can further transmit the relevant information to a qualifying intermediary appointed by New Medtronic) before the record date for the dividend (or such later date before the dividend payment date as may be notified to the shareholder by the broker) (in the case of shares held through DTC), or to New Medtronic s transfer agent, Wells Fargo Shareowner Services, at least seven business days before the record date for the dividend (in the case of shares held outside of DTC).

New Medtronic shareholders who are resident or ordinarily resident in Ireland or are otherwise subject to Irish tax should consult their own tax advisors.

Shares Held by Other Persons

New Medtronic shareholders who do not fall within any of the categories specifically referred to above may nonetheless fall within other exemptions from DWT. If any shareholders are exempt from DWT, but receive dividends subject to DWT, such shareholders may apply for refunds of such DWT from the Irish Revenue Commissioners.

Dividends paid in respect of New Medtronic ordinary shares that are owned by a partnership formed under the laws of a relevant territory and held through DTC will be entitled to exemption from DWT if all of the partners complete the appropriate DWT forms and provide them to their brokers (so that such brokers can further transmit the relevant information to a qualifying intermediary appointed by New Medtronic) before the record date for the dividend (or such later date before the dividend payment date as may be notified to the shareholder by the broker). If any partner is not a resident of a relevant territory, no partner is entitled to exemption from DWT.

Qualifying Intermediary

Prior to paying any dividend, New Medtronic will put in place an agreement with an entity that is recognized by the Irish Revenue Commissioners as a qualifying intermediary, which will provide for certain arrangements relating to distributions in respect of shares of New Medtronic that are held through DTC, which are referred to as the deposited securities. The agreement will provide that the qualifying intermediary shall distribute or otherwise make available to the relevant nominee of the depository, any cash dividend or other cash distribution with respect to the deposited securities after New Medtronic delivers or causes to be delivered to the qualifying intermediary the cash to be distributed.

The qualifying intermediary will be responsible for determining where shareholders reside, whether they have provided the required U.S. tax information and whether they have provided the required DWT forms. Shareholders that are required to file DWT forms in order to receive dividends free of DWT should note that such forms are generally valid, subject to a change in circumstances, until December 31 of the fifth year after the year in which such forms were completed.

Income Tax on Dividends Paid on New Medtronic Ordinary Shares

Irish income tax may arise for certain persons in respect of dividends received from Irish resident companies. A New Medtronic shareholder who is neither resident nor ordinarily resident in Ireland and who is entitled to an exemption from DWT generally has no liability to Irish income tax or the universal social charge

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on a dividend from New Medtronic unless he or she holds his or her New Medtronic ordinary shares through a branch or agency in Ireland through which a trade is carried on.

A New Medtronic shareholder who is neither resident nor ordinarily resident in Ireland and who is not entitled to an exemption from DWT generally has no additional liability to Irish income tax or to the universal social charge unless he or she holds his or her New Medtronic ordinary shares through a branch or agency in Ireland through which a trade is carried on. The DWT deducted by New Medtronic discharges the liability to Irish income tax. A New Medtronic shareholder who is neither resident nor ordinarily resident in Ireland and is a resident of a relevant territory or otherwise exempt from Irish DWT but who receives dividends subject to DWT should be able to make a reclaim of the DWT from the Irish Revenue Commissioners unless he or she holds his or her New Medtronic ordinary shares through a branch or agency in Ireland through which a trade is carried on.

Irish resident or ordinarily resident New Medtronic shareholders may be subject to Irish tax and/or the universal social charge and/or Pay Related Social Insurance on dividends received from New Medtronic. Such New Medtronic shareholders should consult their own tax advisors.

Capital Acquisitions Tax

Irish capital acquisitions tax comprises principally gift tax and inheritance tax. CAT could apply to a gift or inheritance of New Medtronic ordinary shares irrespective of the place of residence, ordinary residence or domicile of the parties. This is because New Medtronic ordinary shares are regarded as property situated in Ireland as the share register of New Medtronic must be held in Ireland. The person who receives the gift or inheritance has primary liability for CAT.

CAT is levied at a rate of 33% above certain tax-free thresholds. The appropriate tax-free threshold is dependent upon (i) the relationship between the donor and the donee and (ii) the aggregation of the values of previous gifts and inheritances received by the donee from persons within the same group threshold. Gifts and inheritances passing between spouses are exempt from CAT. Children have a tax-free threshold of 225,000 in respect of taxable gifts or inheritances received from their parents. New Medtronic shareholders should consult their own tax advisors as to whether CAT is creditable or deductible in computing any domestic tax liabilities.

There is also a small gift exemption from CAT whereby the first 3,000 of the taxable value of all taxable gifts taken by a donee from any one donor, in each calendar year, is exempt from CAT and is also excluded from any future aggregation. This exemption does not apply to an inheritance.

THE IRISH TAX CONSIDERATIONS SUMMARIZED ABOVE ARE FOR GENERAL INFORMATION ONLY. EACH MEDTRONIC SHAREHOLDER AND COVIDIEN SHAREHOLDER SHOULD CONSULT HIS OR HER TAX ADVISOR AS TO THE PARTICULAR CONSEQUENCES THAT MAY APPLY TO SUCH SHAREHOLDER.

IN LIGHT OF THE FOREGOING, HOLDERS ARE URGED TO CONSULT AND MUST RELY ON THE ADVICE OF THEIR OWN TAX ADVISORS REGARDING THE TAX CONSEQUENCES TO THEM OF THE MERGER AND THE SCHEME, INCLUDING APPLICABLE U.S. FEDERAL, PROVINCIAL, STATE, LOCAL, IRISH AND OTHER FOREIGN, AND OTHER TAX CONSEQUENCES.

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LISTING OF NEW MEDTRONIC ORDINARY SHARES ON STOCK EXCHANGE

New Medtronic ordinary shares currently are not traded or quoted on a stock exchange or quotation system. New Medtronic expects that (and it is condition to the transaction that), following the transaction, New Medtronic ordinary shares will be listed for trading on the NYSE under the symbol MDT.

DELISTING AND DEREGISTRATION OF MEDTRONIC COMMON SHARES

Following the consummation of the transaction, Medtronic common shares will be delisted from the NYSE and deregistered under the Exchange Act.

DELISTING AND DEREGISTRATION OF COVIDIEN ORDINARY SHARES

Following the consummation of the transaction, Covidien ordinary shares will be delisted from the NYSE and deregistered under the Exchange Act.

LEGAL PROCEEDINGS REGARDING THE TRANSACTION

On July 2, 2014, a putative shareholder class action complaint was filed in the District Court, Fourth Judicial District, of Hennepin County, Minnesota (the Minnesota Court), by a purported shareholder of Medtronic under the caption *Merenstein v. Medtronic, Inc., et al*., 27-CV-14-11452, and on August 21, 2014, a putative shareholder class action complaint was filed in that same court by a purported shareholder of Medtronic under the caption *Steiner v. Richard H. Anderson, et al*., 27-CV-14-14420. By an Order dated September 26, 2014, the Minnesota Court consolidated the two actions and all cases subsequently filed or transferred into Minnesota Court into a single action under the caption *In re Medtronic, Inc. Stockholder Litigation*, 27-CV-14-11452. On September 30, 2014, the plaintiffs in the consolidated action filed a consolidated amended class action complaint asserting various causes of action arising under Minnesota law against certain current and former members of Medtronic s board of directors, including that they allegedly breached fiduciary duties in connection with the transaction, and against Medtronic, New Medtronic, Covidien, U.S. AcquisitionCo. and MergerSub, including for allegedly aiding and abetting the purported breaches of fiduciary duty. The plaintiffs seek, among other things, an order enjoining or rescinding the transaction and an award of attorney s fees and other fees and costs. Defendants believe their actions are fully consistent with their fiduciary duties and applicable law, and that the complaint alleges derivative claims pursuant to which the plaintiffs are required to make a demand on the company s board of directors. On October 10, 2014, the defendants moved to dismiss the complaint and a hearing was set for January 8, 2015. The court is holding that same January 8, 2015 date to hear any application from the plaintiffs to preliminarily enjoin the defendants from effectuating the transaction.

On September 19, 2014, a shareholder derivative action was filed in the United States District Court for the District of Minnesota by a purported shareholder of Medtronic under the caption *William A. Houston v. Omar Ishrak*, *et al.*, 14-cv-03540, and on October 3, 2014, a shareholder derivative action was filed in the United States District Court for the District of Minnesota by a purported shareholder of Medtronic, captioned *Clark* v. *Omar Ishrak, et al.*, 14-cv-04142. The actions name as defendants certain current members of Medtronic s board of directors and certain of Medtronic s officers, and also name Medtronic as a nominal defendant. The complaints assert various causes of action under Minnesota law, including that the individual defendants allegedly breached fiduciary duties in providing for excise tax reimbursements to certain individuals who were and/or are directors and executive officers of Medtronic in connection with the Transaction. In addition, the *Houston* complaint asserts a claim under Rule 14a-9, promulgated under Section 14(a) of the Securities Exchange Act of 1934, on the ground that this joint proxy statement/prospectus purportedly omits material facts. By an Order dated October 14, 2014, the United States District Court for the District of Minnesota consolidated the *Houston* and

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Clark actions. Among other things, the Order provides that the defendants do not need to respond to the actions until after a consolidated complaint is filed. While defendants have not yet received the consolidated complaint, they believe their actions are fully consistent with their fiduciary duties. On October 23, 2014, the plaintiffs moved for a preliminary injunction seeking to enjoin the gross-up payment in respect of the excise tax, which the defendants intend to oppose. A hearing has been scheduled for December 16, 2014.

On July 10, 2014, a putative shareholder class action complaint was filed in the United States District Court for the District of Massachusetts by a purported shareholder of Covidien under the caption *Taxman v. Covidien plc, et al.,* 14-cv-12949. The action names as defendants the members of the Covidien board of directors, and alleges that Covidien s directors breached fiduciary duties in connection with the transaction because, among other things, the transaction allegedly involves an unfair price, a conflicted and unfair process, self-dealing, and unreasonable deal protection devices. The action also names as defendants Covidien, Medtronic, New Medtronic, IrSub, U.S. AcquisitionCo and MergerSub, and alleges that these defendants aided and abetted the purported breaches of fiduciary duty. On August 11 and 26, 2014, respectively, two putative shareholder class action complaints were filed in the United States District Court for the District of Massachusetts by purported shareholders of Covidien under the captions *Lipovich v. Covidien plc, et al.,* 14-cv-13308 and *Rosenfeld Family Foundation v. Covidien plc, et al.,* 14-cv-13490, respectively. The actions name Covidien and the members of the Covidien board of directors as defendants, and allege that the defendants disseminated a preliminary proxy statement in connection with the transaction that contains material omissions and misrepresentations in violation of federal securities laws. The alleged omissions and misrepresentations concern (i) the process leading to the proposed transaction; (ii) the financial analyses performed by Covidien s and Medtronic s financial advisors; (iii) the selection of Covidien s financial advisor; (iv) the compensation Covidien s financial advisor received for services rendered to the parties involved in the transaction in prior years; and (v) Covidien s, Medtronic s and the combined company s financial projections. The complaints further allege that the conduct of Covidien s directors constitutes shareholder oppression in violation of Irish law because, among other things, the transaction allegedly involves an unfair price, a deficient and conflicted sales process, self-dealing, and unreasonable deal protection devices. The plaintiffs seek, among other things, an order enjoining or rescinding the transaction and an award of attorney s and other fees and costs. The defendants believe the complaints are without merit. On October 20, 2014, the plaintiff in the *Rosenfeld* action and another purported shareholder of Covidien filed a motion seeking to consolidate the *Taxman*, *Lipovich* and *Rosenfeld* actions, and on November 14, 2014, the United States District Court for the District of Massachusetts granted that motion.

On August 26, 2014, a putative shareholder class action complaint was filed in the Superior Court of the Commonwealth of Massachusetts, Suffolk County, by a purported shareholder of Covidien under the caption *Cobb v. Covidien plc, et al.,* SUCV2014-02733-BLS2. The action names as defendants Covidien and the members of the Covidien board of directors, and alleges that Covidien s directors breached fiduciary duties in connection with the transaction because, among other things, the transaction allegedly involves an unfair price, a conflicted and unfair sales process, self-dealing and unreasonable deal protection devices. The complaint further alleges that the directors breached fiduciary duties by disseminating a registration statement in connection with the transaction that contains material omissions and misleading statements. The alleged omissions and misleading statements generally concern (i) the process leading to the proposed transaction; (ii) the financial analyses performed by Covidien s and Medtronic s financial advisors; (iii) the compensation Covidien s financial advisor received for services rendered to the parties involved in the transaction in prior years; and (iv) Covidien s financial projections. The action also names as defendants Medtronic, New Medtronic, IrSub, U.S. AcquisitionCo and MergerSub, and alleges that these defendants aided and abetted the purported breaches of fiduciary duty. The plaintiff seeks, among other things, an order enjoining or rescinding the transaction, damages if the transaction is consummated and an award of attorney s and other fees and costs. The defendants believe the complaint is without merit.

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INFORMATION ABOUT THE COMPANIES

Medtronic

Medtronic is the global leader in medical technology. Medtronic was founded in 1949, incorporated as a Minnesota corporation in 1957 and today serves hospitals, physicians, clinicians, and patients in more than 140 countries worldwide. Medtronic is listed on the NYSE (ticker symbol MDT). Medtronic s principal executive offices are located at 710 Medtronic Parkway, Minneapolis, Minnesota 55432, and its telephone number is 763-514-4000.

For more information relating to Medtronic s business and results of operations, see the sections of this joint proxy statement/prospectus entitled *Medtronic s Business* and *Medtronic s Management Discussion and Analysis of Results of Operations*.

Covidien

Covidien is a global healthcare products company that creates innovative medical solutions for better patient outcomes and delivers value through clinical leadership and excellence. Covidien develops, manufactures and sells a diverse range of industry-leading medical device and supply products. With 2013 revenue of $10.2 billion, as of September 27, 2013, Covidien has more than 38,000 employees worldwide in more than 70 countries, and its products are sold in over 150 countries. Covidien s principal executive offices are located at 20 On Hatch, Lower Hatch Street, Dublin 2, Ireland. The telephone number at this location is +353 1 438-1700.

Covidien Ltd. was incorporated in Bermuda in 2000 as a wholly owned subsidiary of Tyco International. On June 29, 2007, Tyco International distributed all shares of Covidien Ltd. to Tyco International shareholders. In December 2008, the Covidien Ltd. board of directors approved moving Covidien s principal executive office from Bermuda to Ireland. On May 28, 2009, shareholders voted in favor of a reorganization proposal pursuant to which Covidien Ltd. common shares would be canceled and holders of such shares would receive ordinary shares of Covidien plc on a one-to-one basis. The reorganization transaction was completed on June 4, 2009, following approval from the Supreme Court of Bermuda, at which time Covidien plc replaced Covidien Ltd. as the ultimate parent company. Shares of the Irish company, Covidien plc, began trading on the NYSE on June 5, 2009, under the symbol COV, the same symbol under which Covidien Ltd. shares were previously traded.

On June 28, 2013, Covidien completed the spin-off of its Pharmaceuticals business to Covidien shareholders, through a distribution of all of the outstanding ordinary shares of Mallinckrodt plc, the company formed to hold Covidien s former Pharmaceuticals business.

New Medtronic

New Medtronic is a private limited company organized under the laws of Ireland (registered number 545333) for the purpose of holding Covidien, Medtronic, IrSub and U.S. AcquisitionCo as direct or indirect subsidiaries following completion of the transaction. To date, New Medtronic has not conducted any activities other than those incident to its formation, the execution of the Transaction Agreement, the preparation of applicable filings under the U.S. securities laws and regulatory filings made in connection with the proposed transaction, the execution of the Credit Agreements as the guarantor of the obligations of Medtronic as the initial borrower thereunder and other matters related to the transactions contemplated by the Transaction Agreement. On or prior to the completion of the transaction, New Medtronic will be converted, pursuant to the Irish Companies Acts, into a public limited company and renamed Medtronic plc. Following the consummation of the transaction, each of Medtronic and Covidien will be a direct or indirect subsidiary of New Medtronic. Immediately following the transaction, based on the number

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of Medtronic and Covidien shares outstanding as of November 18, 2014, the former shareholders of Medtronic are expected to own approximately 70% of New Medtronic and the remaining approximately 30% of New Medtronic is expected to be owned by the former shareholders of Covidien. At and as of the effective time of the transaction, it is expected that New Medtronic will be a publicly traded company listed on the NYSE under the ticker symbol MDT. New Medtronic s registered office is located at 25 28 North Wall Quay, Dublin 1, Ireland, and its telephone number is +353 1 649-2000.

IrSub

IrSub is a private limited company organized under the laws of Ireland (registered number 545354) and currently a direct, wholly owned subsidiary of New Medtronic. To date, IrSub has not conducted any activities other than those incident to its formation, the execution of the Transaction Agreement, the preparation of regulatory filings made in connection with the proposed transaction and other matters related to the transactions contemplated by the Transaction Agreement. IrSub, along with New Medtronic, will acquire Covidien pursuant to a scheme of arrangement under Section 201, involving a cancellation of the issued share capital of Covidien under sections 72 and 74, of the Irish Companies Act 1963. IrSub s registered office is located at 25 28 North Wall Quay, Dublin 1, Ireland, and its telephone number is +353 1 649-2000.

U.S. AcquisitionCo

U.S. AcquisitionCo is a corporation incorporated in the State of Minnesota. To date, U.S. AcquisitionCo has not conducted any activities other than those incident to its formation, the execution of the Transaction Agreement, the preparation of regulatory filings made in connection with the proposed transaction and other matters related to the transactions contemplated by the Transaction Agreement. After completion of the transaction, Medtronic (as the surviving corporation in its merger with MergerSub) will be a direct, wholly owned subsidiary of U.S. AcquisitionCo and U.S. AcquisitionCo will be an indirect, wholly owned subsidiary of New Medtronic. U.S. AcquisitionCo s registered office is 100 South Fifth Street #1075, Minneapolis, Minnesota 55402, and its telephone number is 612-333-4315.

MergerSub

MergerSub is a limited liability company formed in the state of Minnesota and a direct, wholly owned subsidiary of U.S. AcquisitionCo. To date, MergerSub has not conducted any activities other than those incident to its formation, the execution of the Transaction Agreement, and the preparation of regulatory filings made in connection with the proposed transaction and other matters related to the transactions contemplated by the Transaction Agreement. Following the consummation of the transaction, MergerSub will merge with and into Medtronic, as a result of which the separate corporate existence of MergerSub will cease and Medtronic will continue as the surviving corporation, a direct, wholly owned subsidiary of U.S. AcquisitionCo and an indirect, wholly owned subsidiary of New Medtronic. MergerSub s registered office is 100 South Fifth Street #1075, Minneapolis, Minnesota 55402, and its telephone number is 612-333-4315.

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UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

The following unaudited pro forma condensed combined financial information is presented to illustrate the estimated effects of the pending acquisition of Covidien by Medtronic and the related financing transactions, which were announced on June 15, 2014. The following unaudited pro forma condensed combined balance sheet as of July 25, 2014 and the unaudited pro forma condensed combined statement of earnings for the three months ended July 25, 2014 and the fiscal year ended April 25, 2014 are based upon, derived from and should be read in conjunction with the historical audited financial statements of Medtronic (which are available in this joint proxy statement/prospectus), the historical unaudited financial statements of Medtronic for the three-month period ended July 25, 2014 (which are available in this joint proxy statement/prospectus), the historical audited financial statements of Covidien (which are available in Covidien s Current Report on Form 8-K filed with the SEC on July 11, 2014) and the historical unaudited financial statements of Covidien for the nine-month period ended June 27, 2014 and the six-month periods ended March 28, 2014 and March 29, 2013 (which are available in Covidien s Quarterly Reports on Form 10-Q for the quarterly periods ended June 27, 2014 and March 28, 2014). The acquisition of Covidien will be accounted for as a business combination using the acquisition method of accounting under the provisions of Accounting Standards Codification (ASC) 805, Business Combinations, (ASC 805). The unaudited pro forma condensed combined financial information set forth below gives effect to the following:

- the consummation of the pending acquisition of Covidien through the issuance of New Medtronic shares, with each Covidien shareholder receiving (a) $35.19 in cash per share and (b) 0.956 of a newly issued New Medtronic share for each Covidien share;

- the incurrence of approximately $16 billion in debt by Medtronic or an affiliate to finance, in part, the cash component of the acquisition consideration, excluding the payment of certain transaction expenses.

The pro forma adjustments are preliminary and are based upon available information and certain assumptions which management believes are reasonable under the circumstances and which are described in the accompanying notes to the unaudited pro forma condensed combined financial information. Actual results may differ materially from the assumptions within the accompanying unaudited pro forma condensed combined financial information. Under ASC 805, generally all assets acquired and liabilities assumed are recorded at their acquisition date fair value. For pro forma purposes, the fair value of Covidien s identifiable tangible and intangible assets acquired and liabilities assumed are based on a preliminary estimate of fair value as of June 27, 2014. Any excess of the purchase price over the fair value of identified assets acquired and liabilities assumed will be recognized as goodwill. Significant judgment is required in determining the estimated fair values of in-process research and development (IPR&D), identifiable intangible assets and certain other assets and liabilities. Such valuation requires estimates and assumptions including, but not limited to, determining the timing and estimated costs to complete each in-process research project, projecting the timing of regulatory approvals, estimating future cash flows and direct costs in addition to developing the appropriate discount rates and current market profit margins. Since the transaction has not been consummated, access to information to make such estimates is limited and therefore, certain market-based assumptions were used which will be updated upon completion of the acquisition. Management believes the preliminary fair values recognized for the assets to be acquired and liabilities to be assumed are based on reasonable estimates and assumptions. Preliminary fair value estimates will change as additional information becomes available and such changes could be material.

The unaudited pro forma condensed combined statements of earnings for the three months ended July 25, 2014 and the fiscal year ended April 25, 2014 assume the completion of the acquisition and related incurrence of debt occurred on April 27, 2013, the beginning of fiscal year 2014. The unaudited pro forma condensed combined balance sheet as

of July 25, 2014 assumes those transactions occurred on July 25, 2014. The unaudited pro forma condensed combined financial information has been prepared by management in accordance with the regulations of the SEC and is not necessarily indicative of the combined financial position or results of operations that would have been realized had the acquisition occurred as of the dates indicated, nor is it meant to be indicative of any anticipated combined financial position or future results of operations that New Medtronic

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will experience after the acquisition. In addition, the accompanying unaudited pro forma condensed combined statement of earnings does not include any expected cost savings, operating synergies, or revenue enhancements, which may be realized subsequent to the acquisition or the impact of any nonrecurring activity and one-time transaction-related or integration-related costs. No material transactions existed between Medtronic and Covidien during the pro forma period.

This unaudited pro forma condensed combined financial information should be read in conjunction with the accompanying notes and assumptions as well as the historical consolidated financial statements and related notes of Medtronic (which are available in this joint proxy statement/prospectus) and Covidien (which are incorporated by reference into this joint proxy statement/prospectus).

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Unaudited Pro Forma Condensed Combined Balance Sheet

As of July 25, 2014

(in millions)	Historical Medtronic	Historical Covidien	Reclassification Adjustments	Footnote Reference	Acquisition Adjustments	Footnote Reference	Financing Adjustments	Footnote Reference	Pro Forma
ASSETS									
Current assets:									
Cash and cash equivalents	$ 1,336	$ 1,228	$		$ (15,998)	5(a), 5(c)	$ 16,300	5(l)	$ 2,468
					(127)	5(p)	(70)	5(l)	
					(143)	5(i)	(56)	5(n)	
							(2)	5(m)	
Investments	12,626								12,626
Accounts receivable, net	3,690	1,558							5,248
Inventories	1,836	1,428			852	5(r)			4,116
Prepaid expenses and other current assets	1,282	866	8	7(a)					2,156
Total current assets	20,770	5,080	8		(15,416)		16,172		26,614
Property, plant, and equipment, net	2,376	2,059			691	5(f)			5,126
Goodwill	10,696	8,752			18,780	5(h)			38,228
Other intangible assets, net	2,341	3,175			22,585	5(e)			28,101
Other assets	1,371	1,157			(25)	5(k)	70	5(l)	2,720
					148	5(g)	(3)	5(m)	
							2	5(m)	
Total assets	$ 37,554	$ 20,223	$ 8		$ 26,763		$ 16,241		$ 100,789
LIABILITIES AND SHAREHOLDERS EQUITY									
Current liabilities:									
Short-term borrowings	$ 2,477	$ 1,007	$		$		$		$ 3,484
Accrued expenses	2,956	1,798	8	7(a)	72	5(o)			5,043
					209	5(g)			
Total current liabilities	5,433	2,805	8		281				8,527
Long-term debt	10,323	4,042			481	5(q)	16,300	5(l)	31,146
	2,550	3,363			5,702	5(g)			11,615

Other long-term liabilities								
Total liabilities	18,306	10,210	8	6,464		16,300		51,288
Commitments and contingencies								
Redeemable noncontrolling interest		59						59
Shareholders equity:								
Preferred stock								
Common stock	99			(99)	5(j)			
Ordinary shares		90		(90)	5(j)			
Ordinary shares held in treasury at cost		(136)		136	5(j)			
Retained earnings	19,637	9,712		(9,712)	5(j)	(56)	5(n)	49,930
				297	5(d)	(3)	5(m)	
				(72)	5(o)			
				(127)	5(p)			
				29,953	5(b)			
				202	5(c)			
				99	5(j)			
Accumulated other comprehensive (loss) income	(488)	288		(288)	5(j)			(488)
Total shareholders equity	19,248	9,954		20,299		(59)		49,442
Total liabilities, redeemable noncontrolling interest and shareholders equity	$ 37,554	$ 20,223	$ 8	$ 26,763		$ 16,241		$ 100,789

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Unaudited Pro Forma Condensed Combined Statement of Earnings

For the Three Months Ended July 25, 2014

(In millions except per share data)	Historical Medtronic	Historical Covidien	Reclassification Adjustments	Footnote Reference	Acquisition Accounting Adjustments	Footnote Reference	Financing Adjustments	Footnote Reference	Pro Forma
Net sales	$ 4,273	$ 2,688	$		$		$		$ 6,961
Cost of products sold	1,105	1,104	(42)	7(c)	6	6(e)			2,098
			(20)	7(d)					
			2	7(e)					
			(44)	7(f)					
			(13)	7(h)					
Selling, general, and administrative expense	1,634	1,034	(16)	7(b)	434	6(d)			2,951
			42	7(c)	6	6(e)			
			4	7(d)	(47)	6(g)			
			(3)	7(e)					
			44	7(f)					
			(181)	7(g)					
Research and development expense	365	137	1	7(e)					503
Certain litigation charges, net			181	7(g)					181
Restructuring charges, net	30	43							73
Interest expense, net	5	44			(1)	6(c)	165	6(a)	195
							(18)	6(b)	
Other expense (income), net	51	18	16	7(b)					114
			16	7(d)					
			13	7(h)					
Earnings from continuing operations before income taxes	1,083	308			(398)		(147)		846
Provision for income taxes	212	2			(109)	6(f)	(54)	6(f)	51
Earnings from continuing operations	$ 871	$ 306	$		$ (289)		$ (93)		$ 795
Earnings from continuing operations per share									
Basic	$ 0.88								$ 0.56
Diluted	$ 0.87								$ 0.55
Weighted average shares outstanding									
Basic	992.6								1,427.2
Diluted	1,005.2								1,442.6

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Unaudited Pro Forma Condensed Combined Statement of Earnings

For the Fiscal Year Ended April 25, 2014

(In millions except per share data)	Historical Medtronic	Historical Covidien (Note 4)	Reclassification Adjustments	Footnote Reference	Acquisition Adjustments	Footnote Reference	Financing Adjustments	Footnote Reference	Pro Forma
Net sales	$ 17,005	$ 10,375	$		$		$		$ 27,380
Cost of products sold	4,333	4,274	(156)	7(c)	26	6(e)			8,187
			(79)	7(d)					
			10	7(e)					
			(171)	7(f)					
			(50)	7(h)					
Selling, general, and administrative expense	6,353	3,434	(59)	7(b)	1,761	6(d)			11,748
			156	7(c)	23	6(e)			
			(2)	7(d)					
			(14)	7(e)					
			171	7(f)					
			(65)	7(g)					
			(10)	7(i)					
Research and development expense	1,477	535	4	7(e)					2,016
Certain litigation charges, net	770		65	7(g)					835
Restructuring charges, net	78	116							194
Interest expense, net	108	194			(4)	6(c)	661	6(a)	871
							(88)	6(b)	
Other expense (income), net	181	(282)	59	7(b)					99
			81	7(d)					
			10	7(i)					
			50	7(h)					
Earnings from continuing operations before income taxes	3,705	2,104			(1,806)		(573)		3,430
Provision for income taxes	640	501			(442)	6(f)	(212)	6(f)	487
Earnings from continuing operations	$ 3,065	$ 1,603	$		$ (1,364)		$ (361)		$ 2,943
Earnings from continuing operations per share									
Basic	$ 3.06								$ 2.05
Diluted	$ 3.02								$ 2.03
Weighted average shares outstanding									
Basic	1,002.1								1,436.7
Diluted	1,013.6								1,450.9

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1. Description of Transaction

On June 15, 2014, Medtronic and Covidien entered into the Transaction Agreement by and among Medtronic, Covidien, New Medtronic, IrSub, U.S. AcquisitionCo, and MergerSub. Under the terms of the Transaction Agreement, (i) New Medtronic and IrSub will acquire Covidien pursuant to a scheme of arrangement under Section 201, involving the cancellation of Covidien s issued share capital under Sections 72 and 74, of the Irish Companies Act of 1963 (the scheme) and (ii) MergerSub will merge with and into Medtronic (the Merger), with Medtronic as the surviving corporation in the Merger. As a result of the transaction, both Medtronic and Covidien will become wholly owned subsidiaries of New Medtronic. Prior to the closing of the transaction, New Medtronic will re-register as a public limited company, the ordinary shares of which are expected to be listed on the NYSE.

At the effective time of the scheme, (a) Covidien shareholders will be entitled to receive $35.19 in cash and 0.956 of a newly issued New Medtronic share (the Scheme Consideration) in exchange for each Covidien share held by such shareholders; and (b) Covidien equity awards will be treated as set forth in the Transaction Agreement, such that (i) each outstanding Covidien option will be converted into an option to acquire a certain number of New Medtronic ordinary shares at a certain exercise price per share subject to the same vesting and other terms and conditions as applied to such outstanding Covidien option, (ii) each outstanding Covidien share award granted prior to June 15, 2014 will accelerate, vest, and be converted into the right to receive the Scheme Consideration with respect to the Covidien shares underlying such award, and (iii) each outstanding Covidien share award granted on or after June 15, 2014 will be converted into a New Medtronic share award and will be subject to the same vesting and other terms and conditions as applied to the outstanding Covidien share award. See *Interests of Certain Persons in the Transaction Covidien Treatment of Covidien Options and Covidien Share Awards* section of this joint proxy statement/prospectus. It is expected that immediately after the closing of the transaction, Covidien shareholders will own approximately 30 percent of New Medtronic on a fully diluted basis.

At the effective time of the Merger, (1) each share of Medtronic common stock will be converted into the right to receive one New Medtronic share from or at the direction of MergerSub and (2) each Medtronic option, restricted share award, and other Medtronic share-based award that is outstanding will be converted into the right to receive an equity award from New Medtronic, which will be subject to the same number of shares and the same terms and conditions as were applicable to the Medtronic award in respect of which it was issued. Cash will be paid to Covidien and Medtronic shareholders in lieu of any fractional shares of New Medtronic.

The consummation of the transaction is subject to certain conditions, including approvals by Medtronic and Covidien shareholders. In addition, the proposed transaction requires approval of the Irish High Court and regulatory approvals in the United States and certain other countries. See the *The Transaction Regulatory Approvals Required* section of this joint proxy statement/prospectus. The transaction is expected to close in early 2015.

General

Medtronic initially contemplated financing a substantial portion of the cash component of the scheme consideration through an intercompany loan from one or more of its non-U.S. subsidiaries to IrSub. However, as announced on October 3, 2014, following the September 22, 2014 announcement by the U.S. Treasury Department and the IRS, Medtronic now expects that it will incur approximately $16.3 billion in external indebtedness to finance the cash component of the scheme consideration. Medtronic expects that a substantial portion of such external indebtedness will be incurred by Medtronic prior to the consummation of the transaction and will be guaranteed by New Medtronic. As a result, Medtronic, or its affiliates, will have a sufficient amount of cash available to it by the time of the consummation of the transaction to fund the cash component of the scheme consideration.

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Bridge Credit Agreement

On November 7, 2014, Medtronic entered into the 364-day senior unsecured Bridge Credit Agreement, among Medtronic, New Medtronic, Medtronic Luxco, the lenders from time to time party thereto and Bank of America, N.A., as administrative agent. Under the Bridge Credit Agreement, the lenders party thereto have committed to provide Medtronic with unsecured bridge financing in an aggregate principal amount of up to $11.3 billion. The commitments are intended to be available to finance, in part, the cash component of the scheme consideration and certain transaction expenses to the extent Medtronic does not arrange for alternative financing prior to the consummation of the transaction. New Medtronic and Medtronic Luxco have guaranteed the obligations of Medtronic under the Bridge Credit Agreement. If Medtronic draws loans under the Bridge Credit Agreement, it intends to refinance any such loans with the proceeds of other external indebtedness.

Term Loan Credit Agreement

On November 7, 2014, Medtronic also entered into the three-year senior unsecured Term Loan Credit Agreement among Medtronic, New Medtronic, Medtronic Luxco, the lenders from time to time party thereto and Bank of America, N.A., as administrative agent. Under the Term Loan Credit Agreement, the lenders party thereto have committed to provide Medtronic with unsecured term loan financing in an aggregate principal amount of up to $5.0 billion. Medtronic intends to draw upon such commitments on the consummation of the transaction to finance, in part, the cash component of the scheme consideration and certain transaction expenses. New Medtronic and Medtronic Luxco have guaranteed the obligations of Medtronic under the Term Loan Credit Agreement.

Medtronic reserves the right, subject to the prior written approval of the Irish Takeover Panel, to effect the acquisition by way of a takeover offer, as an alternative to the scheme, in the circumstances described in and subject to the terms of the Transaction Agreement. In such event, such takeover offer will be implemented on terms and conditions that are at least as favorable to Covidien shareholders (except for an acceptance condition set at 80 percent of the nominal value of the Covidien shares to which such offer relates and which are not already beneficially owned by Medtronic) as those which would apply in relation to the scheme, among other requirements.

2. Basis of Presentation

The unaudited pro forma condensed combined balance sheet gives effect to the acquisition of Covidien as if the acquisition occurred on July 25, 2014, which is the last day of the first quarter of Medtronic s 2015 fiscal year. The pro forma adjustments required to reflect the acquired assets and assumed liabilities of Covidien are based on the estimated fair value of Covidien s assets and liabilities as of June 27, 2014, which is the last day of the third quarter of Covidien s 2014 fiscal year. No adjustment was deemed necessary to align these dates in the presentation of the unaudited pro forma condensed combined balance sheet. Similarly, the historical Covidien statement of income information for the three months ended July 25, 2014 is based upon the period from March 29, 2014 to June 27, 2014 and the historical Covidien statement of income information for the fiscal year ended April 25, 2014 is based upon the period from March 30, 2013 to March 28, 2014. Management is not aware of any material transactions entered into by Covidien from June 28, 2014 to July 25, 2014, March 30, 2013 to April 26, 2013, or March 29, 2014 to April 25, 2014 other than as disclosed elsewhere in this joint proxy statement/prospectus.

The date of the Transaction Agreement is June 15, 2014. For pro forma purposes, the valuation of consideration transferred is based on, among other things, Medtronic s closing share price as of November 13, 2014 of $69.38 per share. This is used for pro forma purposes only. The value of the consideration transferred for accounting purposes will ultimately be based on the closing share price of Medtronic stock on the last trading day prior to the closing date of the transaction, and could materially change. For pro forma purposes, the fair value of Covidien s stock options to

be converted is estimated based on Medtronic s closing share price as of November 13, 2014 of $69.38 per share. This is used for pro forma purposes only. An increase of 20 percent in Medtronic s share

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price would increase the total consideration by approximately $6 billion, and a decrease of 20 percent in Medtronic s share price would decrease the total consideration by approximately $6 billion. The total actual consideration will fluctuate until the closing of the acquisition.

The unaudited pro forma condensed combined financial information was prepared using the acquisition method of accounting and was based on the historical financial information of Medtronic and Covidien. The acquisition method of accounting in accordance with ASC 805 requires, among other things, that assets acquired and liabilities assumed in a business combination be recognized at their fair values as of the acquisition date. The acquisition method of accounting, in accordance with ASC 805, uses the fair value concepts defined in ASC 820, Fair Value Measurement (ASC 820). The historical consolidated financial information has been adjusted in the accompanying unaudited pro forma condensed combined financial information to give effect to pro forma events that are (i) directly attributable to the acquisition, (ii) factually supportable, and (iii) with respect to the unaudited pro forma condensed combined statement of earnings, expected to have a continuing impact on the consolidated results.

ASC 820 defines fair value, establishes the framework for measuring fair value for any asset acquired or liability assumed under U.S. GAAP, expands disclosures about fair value measurements, and specifies a hierarchy of valuation techniques based on the nature of the inputs used to develop the fair value measurements. Fair value is defined in ASC 820 as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This is an exit price concept for the valuation of an asset or liability. Market participants are assumed to be buyers or sellers in the most advantageous market for the asset or liability. Fair value measurement for an asset assumes the highest and best use by these market participants, and as a result, assets may be required to be recorded which are not intended to be used or sold. Additionally, the fair value may not reflect management s intended use for those assets. Fair value measurements can be highly subjective and it is possible the application of reasonable judgment could develop different assumptions resulting in a range of alternative estimates using the same facts and circumstances.

Assets acquired and liabilities assumed in a business combination that arise from contingencies must be recognized at fair value if the fair value can be reasonably estimated. If the fair value of an asset or liability that arises from a contingency cannot be determined, the asset or liability would be recognized in accordance with ASC 450, Disclosure of Certain Loss Contingencies (ASC 450). If the fair value is not determinable and the ASC 450 criteria are not met, no asset or liability would be recognized. At this time, to the extent contingencies exist, management does not have sufficient information to determine the fair value of Covidien s contingencies to be acquired. If information becomes available, which would permit management to determine the fair value of these acquired contingencies, these amounts will be adjusted in accordance with ASC 820.

3. Accounting Policies

Acquisition accounting rules require evaluation of certain assumptions, estimates, or determination of financial statement classifications which are completed during the measurement period as defined in current accounting standards. The accounting policies of Medtronic may materially vary from those of Covidien. During preparation of the unaudited pro forma condensed combined financial information, management has performed a preliminary analysis and is not aware of any material differences, and accordingly, this unaudited pro forma condensed combined financial information assumes no material differences in accounting policies between the two companies other than the pro forma reclassifications detailed in Note 7. Following the acquisition and during the measurement period, management will conduct a final review of Covidien s accounting policies in an effort to determine if differences in accounting policies require adjustment or reclassification of Covidien s results of operations or reclassification of assets or liabilities to conform to Medtronic s accounting policies and classifications. As a result of this review, management may identify differences that, when conformed, could have a material impact on these unaudited pro

forma condensed combined financial statements.

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4. Reconciliation of Covidien s Historical Statement of Earnings

A reconciliation of Covidien s historical statement of earnings for the twelve months ended March 28, 2014 is as follows:

Unaudited

As reported by Covidien

(In millions)	Fiscal Year Ended September 27, 2013	Less: Six Months Ended March 29, 2013	Add: Six Months Ended March 28, 2014	Twelve Months Ended March 28, 2014
Net sales	$ 10,235	$ 5,097	$ 5,237	$ 10,375
Cost of products sold	4,150	2,032	2,156	4,274
Selling, general, and administrative expenses	3,340	1,652	1,746	3,434
Research and development expenses	508	233	260	535
Restructuring charges, net	105	62	73	116
Interest expense, net	192	97	99	194
Other income, net	(89)	(18)	(211)	(282)
Income from continuing operations before income taxes	2,029	1,039	1,114	2,104
Income tax expense	429	203	275	501
Income from continuing operations	$ 1,600	$ 836	$ 839	$ 1,603

5. Unaudited Pro Forma Condensed Combined Balance Sheet Adjustments

The estimated pro forma adjustments as a result of recording assets acquired and liabilities assumed at their respective fair values in accordance with ASC 805 discussed below are preliminary. An independent third-party appraiser assisted in performing a preliminary valuation. Medtronic management assumes responsibility for the valuation performed by this appraiser. The final valuation of acquired assets and liabilities assumed will be determined at a later date and is dependent on a number of factors, including the final evaluation of the fair value of Covidien s tangible and identifiable intangible assets acquired and liabilities assumed. The final valuation of assets acquired and liabilities assumed may be materially different than the value of assets acquired and liabilities assumed resulting from the estimated pro forma adjustments.

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The preliminary consideration and estimated fair value of Covidien s assets acquired and liabilities assumed as if the acquisition date was July 25, 2014 is presented as follows:

(in millions, except per share data)	Note	Amount
Calculation of consideration estimated to be transferred		
Cash consideration to be paid to Covidien shareholders (*$35.19 per share*)	5(a)	$ 15,891
Cash consideration to be paid for vested Covidien share awards (*$35.19 per share*)	5(c)	107
Total cash consideration		15,998
Fair value of ordinary shares to be issued to Covidien shareholders	5(b)	29,953
Fair value of ordinary shares to be issued to Covidien share award holders	5(c)	202
Fair value of stock options to be issued to Covidien stock option holders	5(d)	297
Fair value of total consideration		$ 46,450
Recognized amounts of identifiable assets acquired and liabilities assumed		
Net book value of assets acquired as of June 27, 2014		9,954
Less transaction costs expected to be incurred by Covidien	5(i)	(143)
Less write-off of pre-existing Covidien goodwill and intangible assets		(11,927)
Adjusted net book value of liabilities assumed		(2,116)
Identifiable intangible assets at fair value	5(e)	25,760
Increase property, plant, and equipment to fair value	5(f)	691
Increase inventory to fair value	5(r)	852
Increase debt assumed to fair value	5(q)	(481)
Other fair value adjustments, net	5(k)	(25)
Deferred tax impact of fair value adjustments	5(g)	(5,763)
Goodwill		$ 27,532

(a) Represents anticipated cash consideration to be transferred of $35.19 per outstanding Covidien share based on 451,590,266 Covidien shares outstanding as of June 27, 2014.

(b) The acquisition date fair value of New Medtronic ordinary shares issued to Covidien shareholders, excluding Covidien share award holders, was estimated based on 451,590,266 of Covidien s shares outstanding as of June 27, 2014, multiplied by the exchange ratio of 0.956, and Medtronic s closing share price as of November 13, 2014 of $69.38 per share. Refer to the calculation below:

(in millions, except share and per share data)	
Total Covidien shares outstanding (*as of June 27, 2014*)	451,590,266
Conversion factor	0.956

Shares of New Medtronic to be issued (par value $0.0001)		431,720,294
Value per share of Medtronic as of November 13, 2014	$	69.38
Fair value of New Medtronic stock to be issued in respect of outstanding Covidien shares	$	29,953

(c) As of June 27, 2014, there were 3,045,872 Covidien share awards outstanding, including 1,722,442 restricted share units and 1,323,430 performance-based units. The number of performance-based units (including any corresponding dividend equivalent units) outstanding was based on actual performance measured over the 60-day trading period prior to June 27, 2014. Each Covidien share unit (other than a Covidien option) granted prior to June 15, 2014 that is outstanding immediately prior to the completion of the acquisition will accelerate, vest, and be converted into the right to receive the scheme consideration as defined in the *Interests of Certain Persons in the Transaction Covidien Treatment of Covidien Options and Covidien Share Awards* section of this joint proxy statement/prospectus. New Medtronic will pay a total of $107 million in cash and issue

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2,911,854 New Medtronic shares to the holders of Covidien share awards, as of June 27, 2014. Based on Medtronic s closing share price as of November 13, 2014 of $69.38 per share, the fair value of the New Medtronic shares expected to be issued to the holders of the Covidien share awards totals $202 million. If the maximum performance target had been achieved as of June 27, 2014, the total consideration would have increased by an additional $87 million. Management believes it is likely that the maximum performance target will be achieved upon the transaction closing.

(d) As of June 27, 2014, there were 13,627,186 Covidien options outstanding. Each stock option to purchase Covidien ordinary shares that is outstanding and unexercised immediately prior to completion of the acquisition will be converted into an option to acquire a certain number of New Medtronic ordinary shares at a certain exercise price per share. These New Medtronic ordinary shares are subject to the same vesting and other terms and conditions and as applied to such outstanding Covidien option as defined in *Interests of Certain Persons in the Transaction Covidien Treatment of Covidien Options and Covidien Share Awards* section of this joint proxy statement/prospectus. The fair value of the options to acquire New Medtronic shares is $754 million based on Medtronic s closing share price as of November 13, 2014 of $69.38 per share. For pro forma purposes, $297 million of the fair value of the options is considered pre-combination services and is allocated to consideration transferred to acquire Covidien. The remaining $457 million will be expensed in the post-combination period.

(e) For purposes of the unaudited pro forma condensed combined financial statements, the general categories of the acquired identifiable intangible assets are expected to be the following:

customer relationships

patented and unpatented technology

trade names

IPR&D

Identifiable intangible assets expected to be acquired consist of the following:

(in millions)	Amount
Identifiable intangible assets	
Acquired identifiable definite-lived intangible assets	$ 23,780
Acquired indefinite-lived trade names	1,680
Purchased IPR&D	300
Estimated fair value of identified intangible assets	25,760
Pre-existing Covidien intangible assets	(3,175)

Pro forma adjustment for estimated fair value of identifiable intangible assets	$ 22,585

Currently, Medtronic does not have sufficient information as to the amount, timing, and risk of cash flows of all of the acquired intangible assets. Some of the more significant assumptions inherent in the development of intangible asset fair values, from the perspective of a market participant, include: the amount and timing of projected future cash flows (including revenue, cost of sales, research and development costs, sales and marketing expenses, capital expenditures, and working capital requirements) as well as estimated contributory asset charges; the discount rate selected to measure inherent risk of future cash flows; and the assessment of the asset s life cycle and the competitive trends impacting the asset, among other factors. These assumptions will be adjusted accordingly, if the final identifiable intangible asset valuation generates results, including corresponding useful lives and related amortization methods that differ from the pro forma estimates or if the above scope of intangible assets is modified. The final valuation will be completed within 12 months from the completion of the transaction.

(f) To record an estimated $691 million increase to Covidien s property, plant, and equipment to present property, plant, and equipment at fair value.

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(g) Reflects the adjustment to deferred income tax assets and liabilities resulting from pro forma fair value adjustments for the assets and liabilities to be acquired. This estimate of deferred taxes was determined based on the excess book basis over the tax basis of the fair value pro forma adjustments attributable to the assets and liabilities to be acquired. The statutory tax rate was applied, as appropriate, to each adjustment based on the jurisdiction in which the adjustment is expected to occur. In situations where jurisdictional detail was not available, a weighted average rate of 24.5 percent was applied to the adjustment. This estimated rate represents an adjusted overall effective tax rate for the on-going operations of Covidien. For further information, see Note 6(f). The deferred tax assets recorded on the unaudited pro forma condensed combined balance sheet have not been assessed for the need of a valuation allowance. This estimate of deferred income tax assets and liabilities is preliminary and is subject to change based upon management s final determination of the fair value of assets acquired and liabilities assumed by jurisdiction.

(in millions)	As of July 25, 2014
Adjustments to non-current deferred tax asset:	
Debt assumed Note 5(q)	$ 141
Other Note 5(k)	7
	$ 148
Adjustments to current deferred tax liability:	
Inventory Note 5(r)	209
Adjustments to non-current deferred tax liability:	
Identifiable intangible assets Note 5(e)	5,533
Property, plant, and equipment Note 5(f)	169
	$ 5,702
Deferred tax impact of fair value adjustments	$ 5,763

(h) To record the following goodwill adjustments:

(in millions)	
Goodwill	$ 27,532
Pre-existing Covidien goodwill	(8,752)
Pro forma adjustment	$ 18,780

(i) Represents $143 million of estimated net transaction costs to be incurred by Covidien, which will reduce net assets acquired.

(j) Represents the elimination of Covidien s historical ordinary shares, ordinary shares held in treasury at cost, additional paid-in capital, accumulated other comprehensive income, and retained earnings. Also represents the conversion of Medtronic s common stock to New Medtronic ordinary shares, par value $0.0001.

(k) Covidien s historical balance sheet includes $25 million of deferred financing costs. Deferred financing costs of Covidien are eliminated as assumed debt is recorded at fair value.

(l) Represents $16.300 billion of debt financing anticipated to be obtained by New Medtronic or an affiliate to fund the cash consideration. In connection with obtaining the debt financing, $70 million of debt issuance costs are expected to be capitalized and amortized over the life of the underlying debt.

(m) On November 7, 2014, Medtronic entered into an agreement to replace Medtronic s existing $2.250 billion syndicated credit facility. There were no amounts outstanding on Medtronic s syndicated credit facility or Covidien s unsecured senior revolving credit facility as of July 25, 2014 and June 27, 2014, respectively. Medtronic s credit facility has been treated as extinguished for purposes of these unaudited pro forma condensed combined financial statements, resulting in the write-off of $3 million capitalized debt

issuance costs. In connection with the incurrence of the new credit facility, $2 million of debt issuance costs are expected to be capitalized and amortized over the estimated five-year life of the new credit facility.

(n) Medtronic secured bridge and term loan financing totaling $16.300 billion related to this pending acquisition, which is more fully described in the *Financing Relating to the Transaction* section of this joint proxy statement/prospectus. The unaudited pro forma condensed combined balance sheet reflects approximately $56 million of nonrecurring financing costs associated with the Credit Agreements as a reduction of cash with a corresponding reduction to retained earnings.

(o) To record the estimated nonrecurring cost of $72 million related to the payment to Medtronic s directors and executive officers relating to their excise taxes. See *Interests of Certain Persons in the Transaction Medtronic Excise Tax Gross-Up* section of this joint proxy statement/prospectus.

(p) To record Medtronic s estimated acquisition-related transaction costs (excluding fees and expenses relating to financing and integration) of $127 million. The unaudited pro forma condensed combined balance sheet reflects the $127 million of costs as a reduction of cash with a corresponding decrease to retained earnings.

(q) To record a $481 million premium on Covidien s existing debt to present debt assumed by New Medtronic in the pending acquisition at fair value.

(r) To record an estimated $852 million increase to Covidien s inventory to present inventory at fair value.

6. Unaudited Pro Forma Condensed Combined Statement of Earnings Adjustments

(a) To record interest expense, net of $165 million and $661 million for the three months ended July 25, 2014 and fiscal year ended April 25, 2014, respectively. These amounts include interest expense of $163 million and $652 million for the three months ended July 25, 2014 and fiscal year ended April 25, 2014, respectively, from debt financing anticipated to be obtained by New Medtronic or an affiliate and debt issuance cost amortization expense of $2 million and $9 million for the three months ended July 25, 2014 and fiscal year ended April 25, 2014, respectively, from this anticipated debt financing. Prior to the transaction closing, New Medtronic or an affiliate expects to obtain $16.300 billion of debt financing. For the purposes of these unaudited pro forma condensed combined financial statements, New Medtronic s or an affiliate s expected borrowings of $16.300 billion assumes borrowings across a range of maturities and a weighted average contractual interest rate of 4.00 percent. The estimated weighted average contractual interest rate is based on interest rates as of November 7, 2014. The interest rates used for purposes of the unaudited pro forma condensed combined financial statements may be considerably different than the actual interest rates incurred based on market conditions at the time of financing. If the interest rate on New Medtronic s or an affiliate s anticipated debt financing were to increase or decrease by 1/8th of a percent, New Medtronic s pro forma interest expense, net would increase or decrease by approximately $20 million.

(b)

To record accretion of the debt premium from New Medtronic s assumption of Covidien s existing long-term debt of $18 million and $88 million for the three months ended July 25, 2014 and fiscal year ended April 25, 2014, respectively. In anticipation of recording the assumed debt at fair value, a $481 million pro forma adjustment was recorded to recognize the long-term debt at fair value.

(c) To eliminate deferred financing cost amortization expense of $1 million and $4 million for the three months ended July 25, 2014 and fiscal year ended April 25, 2014, respectively. Deferred financing costs of Covidien are eliminated as assumed debt is measured and recorded at fair value.

(d) To record estimated pro forma amortization expense on the definite-lived intangible assets pro forma adjustment discussed in Note 5(e) of $434 million and $1.761 billion for the three months ended July 25, 2014 and fiscal year ended April 25, 2014, respectively.

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Pro forma amortization has been estimated on a preliminary basis, using the straight-line method over the estimated useful life and is as follows:

(in millions, except estimated useful life)	Estimated Fair Value	Weighted Average Estimated Useful Life	Estimated Amortization Fiscal Year Ended April 25, 2014	Three Months Ended July 25, 2014
Acquired definite-lived intangible assets	$ 23,780	12	$ 1,990	$ 498
Covidien historical amortization			(229)	(64)
Pro forma amortization expense			$ 1,761	$ 434

A $100 million increase or decrease in the fair value of definite-lived identifiable intangible assets would increase or decrease amortization by approximately $8 million.

(e) To record estimated pro forma depreciation expense on the property, plant, and equipment pro forma adjustment discussed in Note 5(f) of $12 million and $49 million for the three months ended July 25, 2014 and fiscal year ended April 25, 2014, respectively. The estimated pro forma depreciation expense adjustments are based on the increase in fair value above net book value calculated over an approximate estimated weighted average useful life of 14 years.

(f) The statutory tax rate was applied, as appropriate, to each adjustment based on the jurisdiction in which the adjustment was expected to occur. In situations where jurisdictional detail was not available, a weighted average rate of 24.5 percent was applied to the adjustment. This estimated rate represents an adjusted overall effective tax rate for the on-going operations of Covidien.

Although not reflected in the pro forma financial statements, the effective tax rate of the combined company could be significantly different depending on post-acquisition activities, such as the geographical mix of taxable income affecting state and foreign taxes, among other factors.

Estimated income tax expense (benefit) included in the pro forma statements of earnings is as follows:

	Three Months Ended July 25, 2014		
(in millions)	Acquisition Adjustment	Financing Adjustment	Total Adjustment
Amortization of intangible assets Note 6(d)	$ (106)	$	$ (106)
Interest expense related to financing Note 6(a)		(59)	(59)
Depreciation of property, plant, and equipment Note 6(e)	(3)		(3)

Accretion of premium on debt assumed Note 6(b)		5	5
Adjustments to provision for income taxes	$ (109)	$ (54)	$ (163)

	Fiscal Year Ended April 25, 2014		
(in millions)	**Acquisition Adjustment**	**Financing Adjustment**	**Total Adjustment**
Amortization of intangible assets Note 6(d)	$ (431)	$	$ (431)
Interest expense related to financing Note 6(a)		(238)	(238)
Depreciation of property, plant, and equipment Note 6(e)	(12)		(12)
Accretion of premium on debt assumed Note 6(b)		26	26
Other Note 6(c)	1		1
Adjustments to provision for income taxes	$ (442)	$ (212)	$ (654)

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A tax rate of 36.0 percent was used in relation to interest income and expense and financing fees associated with the debt financing as this debt will reside in the U.S.

(g) Acquisition-related transaction costs have been expensed in Medtronic s and Covidien s historical consolidated financial statements. As acquisition-related transaction costs are non-recurring items, they have not been reflected in the pro forma statements of income. An adjustment totaling $47 million has been reflected in the pro forma statements of income to remove acquisition-related transaction costs of $39 million that were expensed by Medtronic during the three months ended July 25, 2014 and $8 million that were expensed by Covidien during the three months ended June 27, 2014.

7. Pro Forma Reclassification Adjustments

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

(a) To present Covidien s derivatives that are subject to master netting agreements and allow for the right of offset by the counterparty on a gross basis.

(b) To reclassify Covidien s medical device excise tax from selling, general, and administrative expense to other income, net.

(c) To reclassify Covidien s amortization of definite-lived intangible assets from cost of products sold to selling, general, and administrative expense.

(d) To reclassify Covidien s net gains and losses on foreign currency contracts from cost of products sold and selling, general, and administrative expense to other income, net.

(e) 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.

(f) To reclassify certain of Covidien s shipping and handling costs from cost of products sold to selling, general, and administrative expense.

(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.

(h) To reclassify Covidien s royalty expense from cost of products sold to other income, net.

(i) To reclassify Covidien s gain on a previously-held investment associated with Covidien s acquisition of CV Ingenuity from other income, net to selling, general, and administrative expense.

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8. Earnings Per Share

Pro forma earnings from continuing operations per share for the three months ended July 25, 2014 and fiscal year ended April 25, 2014 has been calculated based on the estimated weighted average number of common shares outstanding on a pro forma basis, as described below. The pro forma weighted average shares outstanding have been calculated as if the shares to be issued in the transaction had been issued and outstanding as of April 27, 2013, the beginning of fiscal year 2014. For additional information on calculation of acquisition-related shares, see Notes 5(b) and 5(c).

(in millions, except share and per share data)	Three months ended July 25, 2014	Year ended April 25, 2014
Earnings from continuing operations	$ 795	$ 2,943
Basic weighted average shares outstanding	1,427,188,215	1,436,706,515
Dilutive effect of Medtronic stock options, restricted stock units, and other	12,644,046	11,486,617
Dilutive effect of Covidien stock options	2,776,294	2,667,002
Diluted weighted average shares outstanding	1,442,608,555	1,450,860,134
Earnings from continuing operations per share:		
Basic	$ 0.56	$ 2.05
Diluted	$ 0.55	$ 2.03

9. Unadjusted Pro Forma Balances

Investments

At this time, Medtronic does not have sufficient information necessary to make a reasonable preliminary estimate of the fair value of Covidien s cost method investments. Therefore, no adjustment has been recorded to modify the current book values.

Retirement benefits plans

At this time, Medtronic does not have sufficient information as to the nature of the populations in the plans, specific investment strategies, and other such data necessary to make a reasonable preliminary estimate of fair value. Therefore, no adjustment has been recorded to Covidien s pension and post-retirement benefit plans to reflect the impact of updating the funded status for current discount rates and plan asset values or removing Covidien s historical prior service cost and actuarial loss amortization.

Legal and environmental contingencies

At this time, Medtronic does not have sufficient information as to details of Covidien s legal proceedings, product liability claims, environmental matters and other such information to make a reasonable preliminary estimate of fair value. The valuation effort could require intimate knowledge of complex legal matters and associated defense strategies. Therefore, no adjustment has been recorded to modify the current book value.

Contractual arrangements

At this time, Medtronic does not have sufficient information necessary to make a reasonable preliminary estimate of favorable or unfavorable contractual arrangements, such as operating leases. Therefore, no adjustment has been recorded.

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Noncontrolling interest

At this time, Medtronic does not have sufficient information necessary to make a reasonable preliminary estimate of the fair value of Covidien s noncontrolling interest.

Guaranteed contingent tax liabilities

At this time, Medtronic does not have sufficient information necessary to make a reasonable preliminary estimate of the fair value of Covidien s guaranteed contingent tax liabilities.

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MEDTRONIC MANAGEMENT S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Understanding Medtronic s Financial Information

The following discussion and analysis provides information that Medtronic, Inc. s management believes to be relevant to understanding the financial condition and results of operations of Medtronic, Inc. and its subsidiaries. You should read this discussion and analysis along with Medtronic s consolidated audited financial statements and related notes thereto as of April 25, 2014 and April 26, 2013 and for each of the three fiscal years ended April 25, 2014, April 26, 2013, and April 27, 2012 and Medtronic s consolidated unaudited financial statements and related notes thereto as of July 25, 2014 and July 26, 2013 and for each of the three-month periods ended July 25, 2014 and July 26, 2013.

Beginning in the third quarter of fiscal year 2012, the results of operations, assets, and liabilities of the Physio-Control business, which were previously presented as a component of the Cardiac and Vascular Group operating segment, are classified as discontinued operations. All information in the following management s discussion and analysis of financial condition and results of operations includes only results from continuing operations (excluding Physio-Control) for all periods presented, unless otherwise noted. For further information regarding discontinued operations, see Note 17 to Medtronic s consolidated audited financial statements beginning on page F-109 of this joint proxy statement/prospectus.

Organization of Financial Information

Management s discussion and analysis, presented on pages 178 to 220 of this joint proxy statement/prospectus, provides material historical and prospective disclosures designed to enable investors and other users to assess Medtronic s financial condition and results of operations.

Statements that are forward-looking and not historical in nature are subject to risks and uncertainties. See *Risk Factors* beginning on page 40 and *Cautionary Statement Regarding Forward Looking Statements* beginning on page 68 of this joint proxy statement/prospectus.

The consolidated financial statements are presented on pages F-1 to F-120 of this joint proxy statement/prospectus, and include the consolidated statements of earnings, consolidated statements of comprehensive income, consolidated balance sheets, consolidated statements of shareholders equity, consolidated statements of cash flows, and the related notes, which are an integral part of the consolidated financial statements.

Financial Trends

Throughout this management s discussion and analysis, you will read about transactions or events that materially contribute to or reduce earnings and materially affect financial trends. Medtronic refers to these transactions and events as special charges (such as contributions to the Medtronic Foundation), restructuring charges, net, certain litigation charges, net, acquisition-related items (such as asset impairments), or certain tax adjustments. These charges, or benefits, result from facts and circumstances that vary in frequency and/or impact to operations. While understanding these charges or benefits is important to understanding and evaluating financial trends, other transactions or events may also have a material impact on financial trends. A complete understanding of the special charges, restructuring charges, net, certain litigation charges, net, acquisition-related items, and certain tax adjustments is necessary in order to estimate the likelihood that they may affect financial trends in the future.

Medtronic s fiscal year-end is the last Friday in April, and therefore, the total weeks in a fiscal year can fluctuate between 52 and 53 weeks. Fiscal years 2014, 2013, and 2012 were 52-week years. Fiscal year 2016 will be the next 53-week year.

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Executive Level Overview

Medtronic is the global leader in medical technology alleviating pain, restoring health, and extending life for millions of people around the world. Medtronic develops, manufactures, and markets its medical devices in more than 140 countries. Medtronic s primary products include those for cardiac rhythm disorders, cardiovascular disease, neurological disorders, spinal conditions and musculoskeletal trauma, urological and digestive disorders, and ear, nose, and throat and diabetes conditions.

Medtronic operates under three reportable segments and three operating segments, the Cardiac and Vascular Group (composed of the Cardiac Rhythm & Heart Failure, Coronary & Structural Heart, and Aortic & Peripheral businesses), the Restorative Therapies Group (composed of the Spine, Neuromodulation, and Surgical Technologies businesses), and the Diabetes Group. In the first quarter of fiscal year 2015, Medtronic realigned the Cardiac and Vascular Group businesses with a specific focus on comprehensive disease management. This change did not impact Medtronic s reportable segments or operating segments. Prior to the first quarter of fiscal year 2015, the Cardiac Rhythm & Heart Failure business was formerly known as the Cardiac Rhythm Disease Management (CRDM) business, the Coronary & Structural Heart business was formerly the Coronary business and Structural Heart business, and the Aortic & Peripheral business was formerly known as the Endovascular business. See Note 20 to Medtronic s consolidated audited financial statements beginning on page F-115 of this joint proxy statement/prospectus and Note 20 to Medtronic s consolidated unaudited financial statements for the period ended July 25, 2014 beginning on page F-38 of this joint proxy statement/prospectus for additional discussion related to Medtronic s segment reporting.

Quarter Ended July 25, 2014

Net earnings for the first quarter of fiscal year 2015 were $871 million, or $0.87 per diluted share, as compared to net earnings of $953 million, or $0.93 per diluted share for the same period in the prior fiscal year, representing a decrease of 9 percent and 6 percent, respectively. The decrease in net earnings and diluted earnings per share compared to the same period in the prior fiscal year was primarily driven by the favorable change in fair value of contingent consideration payments in the prior year. Net earnings for the three months ended July 25, 2014 included restructuring charges, net and acquisition-related items that decreased net earnings by an aggregate of $63 million ($71 million pre-tax). Net earnings for the three months ended July 26, 2013 included after-tax special charges, restructuring charges, and acquisition-related items that increased net earnings by an aggregate of $55 million ($38 million pre-tax). See further discussion of these items in the Special Charges, Restructuring Charges, Net, and Acquisition-Related Items section of this management s discussion and analysis.

The table below illustrates net sales by operating segment for the three months ended July 25, 2014 and July 26, 2013:

	Three months ended		
(dollars in millions)	**July 25, 2014**	**July 26, 2013**	**% Change**
Cardiac and Vascular Group	$ 2,254	$ 2,160	4%
Restorative Therapies Group	1,603	1,554	3
Diabetes Group	416	369	13
Total Net Sales	**$ 4,273**	**$ 4,083**	**5%**

Net sales for the three months ended July 25, 2014 were $4.273 billion, an increase of 5 percent compared to the same period in the prior fiscal year. Foreign currency translation had a favorable impact of $34 million on net sales for the

three months ended July 25, 2014 compared to the same period in the prior fiscal year. Net sales growth was driven by a 4 percent increase in the Cardiac and Vascular Group, 3 percent increase in the Restorative Therapies Group, and 13 percent increase in the Diabetes Group compared to the same period in the prior fiscal year. The Cardiac and Vascular Group s performance for the three months ended July 25, 2014 was primarily a result of strong net sales in Low Power and AF and Other, solid growth in Structural Heart and Aortic & Peripheral, partially offset by declines in High Power and Coronary. Additionally, the Cardiac and Vascular Group s performance for the three months ended July 25, 2014 was favorably affected by new products and the August 2013 acquisition of Cardiocom and January 2014 acquisition of TYRX, Inc. (TYRX). The Restorative

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Therapies Group s performance for the three months ended July 25, 2014 was favorably impacted by strong growth in Neuromodulation and solid growth in Surgical Technologies, partially offset by declines in Spine, primarily driven by BMP (composed of INFUSE bone graft (InductOs in the European Union)) and Core Spine. The Diabetes Group s performance for the three months ended July 25, 2014 was due to strong net sales in the U.S driven by the ongoing launch of the MiniMed 530G System with Enlite Sensor as well as strong net sales in international markets driven by continued adoption and use of the Veo insulin pump with low-glucose suspend and Enlite continuous glucose monitoring (CGM) sensor. See our discussion in the Net Sales section of this management s discussion and analysis for more information on the results of our operating segments.

Year Ended April 25, 2014

Net earnings for the fiscal year ended April 25, 2014 were $3.065 billion, or $3.02 per diluted share, as compared to net earnings of $3.467 billion, or $3.37 per diluted share for the fiscal year ended April 26, 2013, representing a decrease of 12 percent and 10 percent, respectively. Fiscal year 2014 net earnings included after-tax special charges, restructuring charges, net, certain litigation charges, net, acquisition-related items, and certain tax adjustments that decreased net earnings by an aggregate of $803 million ($1.015 billion pre-tax). Fiscal year 2013 net earnings included after-tax restructuring charges, net, certain litigation charges, net, and acquisition-related items that decreased net earnings by an aggregate of $331 million ($378 million pre-tax). See further discussion of these items in the *Special Charges, Restructuring Charges, Net, Certain Litigation Charges, Net, Acquisition-Related Items, and Certain Tax Adjustments* section of this management s discussion and analysis.

The table below illustrates net sales by operating segments for fiscal years 2014 and 2013:

	Net Sales Fiscal Year		
(dollars in millions)	**2014**	**2013**	**% Change**
Cardiac and Vascular Group	$ 8,847	$ 8,695	2%
Restorative Therapies Group	6,501	6,369	2
Diabetes Group	1,657	1,526	9
Total Net Sales	**$ 17,005**	**$ 16,590**	**3%**

Net sales in fiscal year 2014 were $17.005 billion, an increase of 3 percent from the prior fiscal year. Foreign currency translation had an unfavorable impact of $175 million on net sales compared to the prior fiscal year. Net sales growth for fiscal year 2014 was driven by 2 percent growth in Medtronic s Cardiac and Vascular Group, 2 percent growth in Medtronic s Restorative Therapies Group, and 9 percent growth in Medtronic s Diabetes Group compared to the prior fiscal year. The Cardiac and Vascular Group s performance was primarily a result of strong net sales in atrial fibrillation (AF) and Other, and solid growth in Structural Heart and Endovascular, partially offset by slight declines in Coronary and CRDM defibrillation and pacing systems which is primarily due to pricing pressures. Additionally, the Cardiac and Vascular Group s performance was favorably affected by new products and the August 2013 acquisition of Cardiocom, LLC (Cardiocom) and January 2014 acquisition of TYRX. The Restorative Therapies Group s performance was a result of strong net sales in Surgical Technologies and growth in Neuromodulation, partially offset by declines in Spine, primarily driven by Bone Morphogenetic Protein (BMP) (composed of INFUSE bone graft (InductOs in the EU)) and balloon kyphoplasty (BKP). The Diabetes Group s performance was due to strong net sales in the U.S. driven by the launch of the MiniMed 530G System with Enlite Sensor as well as strong net sales in international markets driven by the continued adoption and use of the Veo insulin pump with low-glucose

suspend and Personal Continuous Glucose Monitoring (Enlite CGM) sensor. See Medtronic s discussion in the Net Sales section of this management s discussion and analysis for more information on the results of Medtronic s operating segments.

Medtronic remains committed to its mission of developing lifesaving and life-enhancing therapies to alleviate pain, restore health, and extend life.

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Critical Accounting Estimates

Medtronic has adopted various accounting policies to prepare its consolidated financial statements in accordance with U.S. GAAP. Medtronic s most significant accounting policies are disclosed in Note 1 to Medtronic s consolidated audited financial statements beginning on page F-48 of this joint proxy statement/prospectus.

The preparation of the consolidated financial statements, in conformity with U.S. GAAP, requires Medtronic to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Medtronic s estimates and assumptions, including those related to bad debts, inventories, intangible assets, asset impairment, legal proceedings, IPR&D, contingent consideration, warranty obligations, product liability, self-insurance, pension and post-retirement obligations, sales returns and discounts, stock-based compensation, valuation of equity and debt securities, and income tax reserves are updated as appropriate, which in most cases is quarterly. Medtronic bases its estimates on historical experience, actuarial valuations, or various assumptions that are believed to be reasonable under the circumstances.

Estimates are considered to be critical if they meet both of the following criteria: (1) the estimate requires assumptions about material matters that are uncertain at the time the accounting estimates are made, and (2) material changes in the estimates are reasonably likely to occur from period to period. Medtronic s critical accounting estimates include the following:

Legal Proceedings

Medtronic is involved in a number of legal actions involving product liability, intellectual property disputes, shareholder derivative actions, securities class actions, and other class actions. The outcomes of these legal actions are not within Medtronic s complete control and may not be known for prolonged periods of time. In some actions, the claimants seek damages, as well as other relief (including injunctions barring the sale of products that are the subject of the lawsuit), that could require significant expenditures or result in lost revenues. In accordance with U.S. GAAP, Medtronic records a liability in its consolidated financial statements for loss contingencies when a loss is known or considered probable and the amount can be reasonably estimated. If the reasonable estimate of a known or probable loss is a range, and no amount within the range is a better estimate than any other, the minimum amount of the range is accrued. If a loss is reasonably possible, but not known or probable, and can be reasonably estimated, the estimated loss or range of loss is disclosed in the notes to the consolidated financial statements. When determining the estimated loss or range of loss, significant judgment is required to estimate the amount and timing of a loss to be recorded. Estimates of probable losses resulting from litigation and governmental proceedings involving Medtronic are inherently difficult to predict, particularly when the matters are in early procedural stages, with incomplete scientific facts or legal discovery; involve unsubstantiated or indeterminate claims for damages; potentially involve penalties, fines, or punitive damages; or could result in a change in business practice. Medtronic s significant legal proceedings are discussed in Note 18 to Medtronic s consolidated audited financial statements beginning on page F-110 of this joint proxy statement/prospectus and Note 19 to Medtronic s consolidated unaudited financial statements for the period ending July 25, 2014 beginning on page F-35 of this joint proxy statement/prospectus. While it is not possible to predict the outcome for most of the matters discussed in Note 18 to Medtronic s consolidated audited financial statements beginning on page F-110 of this joint proxy statement/prospectus and Note 19 to Medtronic s consolidated unaudited financial statements for the period ending July 25, 2014 beginning on page F-35 of this joint proxy statement/prospectus, Medtronic believes it is possible that costs associated with them could have a material adverse impact on its consolidated earnings, financial position, or cash flows.

Tax Strategies

Medtronic s effective tax rate is based on income, statutory tax rates, and tax planning opportunities available to Medtronic in the various jurisdictions in which Medtronic operates. Medtronic establishes reserves when, despite its belief that its tax return positions are fully supportable, Medtronic believes that certain positions are likely to be challenged and that it may or may not prevail. These reserves are established and adjusted in accordance with the principles of U.S. GAAP. Under U.S. GAAP, if Medtronic determines that a tax position is

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more likely than not of being sustained upon audit, based solely on the technical merits of the position, Medtronic recognizes the benefit. Medtronic measures the benefit by determining the amount that is greater than 50 percent likely of being realized upon settlement. Medtronic presumes that all tax positions will be examined by a taxing authority with full knowledge of all relevant information. Medtronic regularly monitors its tax positions and tax liabilities. Medtronic reevaluates the technical merits of its tax positions and recognize an uncertain tax benefit, or derecognize a previously recorded tax benefit, when (i) there is a completion of a tax audit, (ii) there is a change in applicable tax law including a tax case or legislative guidance, or (iii) there is an expiration of the statute of limitations. Significant judgment is required in accounting for tax reserves. Although Medtronic believes that it has adequately provided for liabilities resulting from tax assessments by taxing authorities, positions taken by these tax authorities could have a material impact on Medtronic s effective tax rate in future periods.

In the event there is a special charge, restructuring charge, net, certain litigation charge, net, and/or acquisition-related items recognized in Medtronic s operating results, the tax cost or benefit attributable to that item is separately calculated and recorded. Because the effective rate can be significantly impacted by these discrete items that take place in the period, Medtronic often refers to its tax rate using both the effective rate and the non-GAAP nominal tax rate. The non-GAAP nominal tax rate is defined as the income tax provision as a percentage of earnings before income taxes, excluding special charges, restructuring charges, net, certain litigation charges, net, acquisition-related items, and certain tax adjustments. Medtronic believes this resulting non-GAAP financial measure provides useful information to investors because it excludes the effect of these discrete items so that investors can compare Medtronic s recurring results over multiple periods. 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.

Tax regulations require certain items to be included in the tax return at different times than when those items are required to be recorded in the consolidated financial statements. As a result, Medtronic s effective tax rate reflected in its consolidated financial statements is different than that reported in Medtronic s tax returns. Some of these differences are permanent, such as expenses that are not deductible on Medtronic s tax return, and some are temporary differences, such as depreciation expense. Temporary differences create deferred tax assets and liabilities. Deferred tax assets generally represent items that can be used as a tax deduction or credit in Medtronic s tax return in future years for which Medtronic has already recorded the tax benefit in Medtronic s consolidated statements of earnings. Medtronic establishes valuation allowances for Medtronic s deferred tax assets when the amount of expected future taxable income is not likely to support the use of the deduction or credit. Deferred tax liabilities generally represent tax expense recognized in Medtronic s consolidated financial statements for which payment has been deferred or expense has already been taken as a deduction on Medtronic s tax return but has not yet been recognized as an expense in Medtronic s consolidated statements of earnings.

Medtronic s overall tax rate including the tax impact of restructuring charges, net and acquisition-related items resulted in an effective tax rate of 19.6 percent for the three months ended July 25, 2014. Excluding the impact of the restructuring charges, net and acquisition-related items for the three months ended July 25, 2014, Medtronic s operational and tax strategies have resulted in a non-GAAP nominal tax rate of 19.1 percent versus the U.S. federal statutory rate of 35.0 percent. An increase in Medtronic s nominal tax rate of 1 percent would result in an additional income tax provision for the three months ended July 25, 2014 of approximately $12 million.

Medtronic s overall tax rate from continuing operations including the tax impact of special charges, restructuring charges, net, certain litigation charges, net, acquisition-related items, and certain tax adjustments resulted in an effective tax rate of 17.3 percent for fiscal year 2014. Excluding the impact of the special charges, restructuring charges, net, certain litigation charges, net, acquisition-related items, and certain tax adjustments, Medtronic s operational and tax strategies have resulted in a non-GAAP nominal tax rate of 18.0 percent versus the U.S. federal

statutory rate of 35.0 percent. An increase in Medtronic s nominal tax rate of 1 percent would

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result in an additional income tax provision for the fiscal year ended April 25, 2014 of approximately $47 million. See discussion of Medtronic s tax rate and the tax adjustments in the Income Taxes section of this management s discussion and analysis.

Valuation of Other Intangible Assets, Including IPR&D, Goodwill, and Contingent Consideration

When Medtronic acquires a business, the assets acquired, including IPR&D, and liabilities assumed are recorded at their respective fair values as of the acquisition date. Medtronic s policy defines IPR&D as the fair value of those projects for which the related products have not received regulatory approval and have no alternative future use. Determining the fair value of intangible assets, including IPR&D, acquired as part of a business combination requires Medtronic to make significant estimates. These estimates include the amount and timing of projected future cash flows, the discount rate used to discount those cash flows to present value, the assessment of the asset s life cycle, and the consideration of legal, technical, regulatory, economic, and competitive risks. The fair value assigned to other intangible assets, including IPR&D, is determined by estimating the future cash flows of each project or technology and discounting the net cash flows back to their present values. The discount rate used is determined at the time of measurement in accordance with accepted valuation methodologies.

IPR&D acquired in a business combination is capitalized as an indefinite-lived intangible asset. Development costs incurred after the acquisition are expensed as incurred. Upon receipt of regulatory approval, the indefinite-lived intangible asset is then accounted for as a finite-lived intangible asset and amortized on a straight-line basis or accelerated basis, as appropriate, over its estimated useful life. If the R&D project is subsequently abandoned, the indefinite-lived intangible asset is charged to expense. IPR&D acquired outside of a business combination is expensed immediately.

Due to the uncertainty associated with R&D projects, there is risk that actual results will differ materially from the original cash flow projections and that the R&D project will result in a successful commercial product. The risks associated with achieving commercialization include, but are not limited to, delay or failure to obtain regulatory approvals to conduct clinical trials, delay or failure to obtain required market clearances, delays or issues with patent issuance, or validity and litigation.

Goodwill is the excess of the purchase price (consideration) over the estimated fair value of net assets, including IPR&D, of acquired businesses. Goodwill is tested for impairment annually in the third quarter and whenever an event occurs or circumstances change that would indicate that the carrying amount may be impaired. The test for impairment requires Medtronic to make several estimates about fair value, most of which are based on projected future cash flows. Medtronic s estimates associated with the goodwill impairment test are considered critical due to the amount of goodwill recorded on Medtronic s consolidated balance sheets and the judgment required in determining fair value, including projected future cash flows. The results of Medtronic s annual impairment test are discussed in Note 6 to Medtronic s consolidated audited financial statements beginning on page F-70 of this joint proxy statement/prospectus. Goodwill was $10.593 billion and $10.329 billion as of April 25, 2014 and April 26, 2013, respectively.

Other intangible assets include patents, trademarks, purchased technology, and IPR&D (since April 25, 2009). Intangible assets with a definite life are amortized on a straight-line or accelerated basis, as appropriate, with estimated useful lives ranging from three to 20 years. IPR&D is tested for impairment annually in the third quarter and whenever an event occurs or circumstances change that would indicate that the carrying amount may be impaired. Medtronic reviews other definite-lived intangible assets for impairment whenever events or circumstances indicate that the carrying amount of an asset (asset group) may not be recoverable. Refer to Note 1 to Medtronic s consolidated audited financial statements beginning on page F-48 of this joint proxy statement/prospectus for additional

information. Medtronic s impairment reviews are based on an estimated future cash flow approach that requires significant judgment with respect to future revenue and expense growth rates,

selection of appropriate discount rate, asset groupings, and other assumptions and estimates. Medtronic uses

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estimates that are consistent with Medtronic s business plans and a market participant view of the assets being evaluated. The results of Medtronic s annual impairment test are discussed in Note 6 to Medtronic s consolidated audited financial statements beginning on page F-70 of this joint proxy statement/prospectus. Actual results may differ from Medtronic s estimates due to a number of factors including, among others, changes in competitive conditions, timing of regulatory approval, results of clinical trials, changes in worldwide economic conditions, and fluctuations in foreign currency exchange rates. These risk factors are discussed in *Risk Factors* beginning on page 40 of this joint proxy statement/prospectus. Other intangible assets, net of accumulated amortization, were $2.286 billion and $2.673 billion as of April 25, 2014 and April 26, 2013, respectively.

Contingent consideration is recorded at the acquisition date at the estimated fair value of the contingent consideration for all acquisitions subsequent to April 24, 2009. The acquisition date fair value is measured based on the consideration expected to be transferred (probability-weighted), discounted back to present value. The discount rate used is determined at the time of measurement in accordance with accepted valuation methodologies. The fair value of the contingent consideration is remeasured at the estimated fair value at each reporting period with the change in fair value recognized as income or expense within *acquisition-related items* in Medtronic s consolidated statements of earnings. Changes to the fair value of contingent consideration can result from changes in discount rates, the timing and amount of revenue estimates, or in the timing or likelihood of achieving the milestones which trigger payment. Using different valuation assumptions including revenue or cash flow projections, growth rates, discount rates, or probabilities of achieving the milestones result in different fair value measurements, future amortization expense, and expense in the current or future periods. The fair value of contingent consideration was $68 million and $142 million as of April 25, 2014 and April 26, 2013, respectively.

Discontinued Operations

On January 30, 2012, Medtronic completed the sale of the Physio-Control business to Bain Capital Partners, LLC. Medtronic has classified the results of operations of the Physio-Control business, which were previously presented as a component of the Cardiac and Vascular Group operating segment, as discontinued operations in the consolidated statements of earnings for all periods presented. For more information regarding discontinued operations, refer to Note 17 to Medtronic s consolidated audited financial statements beginning on page F-109 of this joint proxy statement/prospectus.

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Results of Operations for the Period Ended July 25, 2014 and July 26, 2013

Net Sales

The table below illustrates net sales by product line and operating segment for the three months ended July 25, 2014 and July 26, 2013:

	Three months ended		
(dollars in millions)	**July 25, 2014**	**July 26, 2013**	**% Change**
High Power	$ 627	$ 655	(4)%
Low Power	525	474	11
AF & Other	104	64	63
CARDIAC RHYTHM & HEART FAILURE	1,256	1,193	5
CORONARY	428	435	(2)
STRUCTURAL HEART	338	313	8
CORONARY & STRUCTURAL HEART	766	748	2
AORTIC & PERIPHERAL	232	219	6
TOTAL CARDIAC & VASCULAR GROUP	**2,254**	**2,160**	**4**
Core Spine	552	563	(2)
Interventional Spine	81	78	4
BMP	110	124	(11)
SPINE	743	765	(3)
NEUROMODULATION	479	428	12
SURGICAL TECHNOLOGIES	381	361	6
TOTAL RESTORATIVE THERAPIES GROUP	**1,603**	**1,554**	**3**
DIABETES GROUP	**416**	**369**	**13**
TOTAL	**$ 4,273**	**$ 4,083**	**5%**

Net sales for the three months ended July 25, 2014 were favorably impacted by foreign currency translation of $34 million when compared to the same period of the prior fiscal year. The primary exchange rate movements that impacted Medtronic s consolidated net sales growth was the U.S. dollar as compared to the Euro. The impact of foreign currency fluctuations on net sales was not indicative of the impact on net earnings due to foreign currency impact on operating costs and expenses and Medtronic s hedging activities. See *Quantitative and Qualitative Disclosures About Market Risk* beginning on page 220 for further details on foreign currency instruments and Medtronic s related risk management strategies.

Cardiac and Vascular Group

The Cardiac and Vascular Group is composed of the Cardiac Rhythm & Heart Failure, Coronary & Structural Heart, and Aortic & Peripheral businesses. The Cardiac and Vascular Group s products, with a specific focus on

comprehensive disease management, include pacemakers, insertable and external cardiac monitors, implantable defibrillators, leads and delivery systems, ablation products, electrophysiology catheters, products for the treatment of AF, information systems for the management of patients with Cardiac Rhythm & Heart Failure devices, products designed to reduce surgical site infections, coronary and peripheral stents and related delivery systems, therapies for uncontrolled hypertension, endovascular stent graft systems, heart valve replacement technologies, cardiac tissue ablation systems, and open heart and coronary bypass grafting surgical

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products. The Cardiac and Vascular Group also includes Cardiocom and Cath Lab Managed Services (CLMS). The Cardiac and Vascular Group s net sales for the three months ended July 25, 2014 were $2.254 billion, an increase of 4 percent compared to the same period in the prior fiscal year. Foreign currency translation had a favorable impact on net sales for the three months ended July 25, 2014 of $22 million compared to the same period in the prior fiscal year. The Cardiac and Vascular Group s performance for the three months ended July 25, 2014 was primarily a result of strong net sales in Low Power and AF and Other, solid growth in Structural Heart and Aortic & Peripheral, partially offset by declines in High Power and Coronary. Additionally, the Cardiac and Vascular Group s performance for the three months ended July 25, 2014 was favorably affected by new products and the August 2013 acquisition of Cardiocom and January 2014 acquisition of TYRX. See the more detailed discussion of each business s performance below.

Cardiac Rhythm & Heart Failure net sales for the three months ended July 25, 2014 were $1.256 billion, an increase of 5 percent compared to the same period in the prior fiscal year. Net sales of Medtronic s High Power products for the three months ended July 25, 2014 decreased primarily due to net sales declines in the U.S. Net sales of Medtronic s High Power products in the U.S. were impacted by declines in implant volumes. International net sales were flat compared to the same period in the prior fiscal year driven by the success of Medtronic s Attain Performa quadripolar CRT-D (CRT-D) system, offset by pricing pressures in certain international markets. Worldwide net sales of Medtronic s Low Power products for the three months ended July 25, 2014 increased primarily driven by the strong ongoing global launch of Reveal LINQ insertable cardiac monitor. AF and Other net sales increased primarily due to the continued global acceptance of the Arctic Front Advance Cardiac CryoAblation Catheter (Arctic Front) system and net sales from the acquisition of Cardiocom and CLMS.

Coronary & Structural Heart net sales for the three months ended July 25, 2014 were $766 million, an increase of 2 percent compared to the same period in the prior fiscal year. Coronary net sales decreased primarily due to pricing pressures in the U.S., Western Europe, and India, partially offset by worldwide share gains in drug-eluting stents, driven by the continued strength of Medtronic s Resolute Integrity drug-eluting coronary stent. Medtronic launched small vessel sizes of this product in Japan in the second quarter of fiscal year 2014. Structural Heart net sales increased primarily driven by strong execution on the ongoing U.S. launch of CoreValve transcatheter aortic heart valve. Growth was negatively affected by a difficult comparison in Germany, where customers made advanced purchases of CoreValve product during the first quarter of fiscal year 2014 in anticipation of the since resolved CoreValve injunction.

Aortic & Peripheral net sales for the three months ended July 25, 2014 were $232 million, an increase of 6 percent compared to the same period in the prior fiscal year. The increase in Aortic & Peripheral net sales for the three months ended July 25, 2014 was driven by strong sales of Medtronic s Valiant Captivia Thoracic Stent Graft System, as well as the Endurant II Abdominal Aortic Aneurysm (AAA) Stent Graft System in Japan. For the three months ended July 25, 2014, growth was partially offset by the divestiture of a reentry catheter product line in the second quarter of fiscal year 2014, the removal of a peripheral below-the-knee product from the market, and increased competitive and pricing pressures in the U.S, Western Europe, and Japan.

Looking ahead, Medtronic expects its Cardiac and Vascular Group could be impacted by the following:

Increasing competition, fluctuations in foreign currency, and continued pricing pressures.

Continued acceptance and future growth from Reveal LINQ, Medtronic s next-generation insertable cardiac monitor launched in international and U.S. markets in the third and fourth quarters of fiscal year 2014, respectively.

Continued and future growth from the Arctic Front system, including the second generation Arctic Front Advance Cardiac Cryoballoon. The Arctic Front system is a cryoballoon indicated for the treatment of drug refractory paroxysmal atrial fibrillation. The cryoballoon treatment involves a minimally invasive procedure that efficiently creates circumferential lesions around the pulmonary vein, which studies have indicated is the source of erratic electrical signals that cause irregular heartbeat.

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Continued acceptance and future growth from the Viva/Brava family of CRT-D devices and the Attain Performa portfolio of quadripolar leads. The Viva/Brava family of CRT-D devices utilizes a new algorithm, called AdaptivCRT, which improves patients response rates to CRT-D therapy by preserving the patients normal heart rhythms and continually adapts to individual patient needs. Medtronic s Viva/Brava CRT-D devices received CE Mark approval in August 2012, received U.S. FDA approval in May 2013, and launched in Japan in the third quarter of fiscal year 2014. Paired with Viva/Brava Quad CRT-D, Attain Performa leads provide additional options for physicians to optimize patient therapy. Medtronic s Attain Performa quadripolar lead system received Conformité Européene (CE) Mark approval in March 2013, launched in Japan in the third quarter of fiscal year 2014, and received U.S. FDA approval in August 2014.

Integration of TYRX into the Cardiac and Vascular Group. TYRX was acquired in January 2014. Medtronic believes that this proprietary technology reduces infections that can result from device implants. Currently, Medtronic is leveraging this technology in the Cardiac Rhythm & Heart Failure business, and ultimately Medtronic intends to leverage this technology in other businesses such as Neuromodulation.

Integration of Corventis, Inc. (Corventis) into the Cardiac and Vascular Group. Corventis was acquired in June 2014.

Continued acceptance and future growth from the Evera family of Implantable Cardioverter Defibrillators (ICDs). The Evera family of ICDs has increased battery longevity, advanced shock reduction technology, and a contoured shape with thin, smooth edges that better fits inside the body. Medtronic received CE Mark approval for Medtronic s Evera magnetic resonance imaging (MRI) SureScan ICD, the only ICD system approved for full-body MRI scans, late in the fourth quarter of fiscal year 2014.

Continued acceptance and future growth from the Advisa DR MRI SureScan pacing system. The Advisa DR MRI SureScan is Medtronic s second-generation MRI pacing system and is the first system to combine advanced pacing technology with proven MRI access. In the third quarter of fiscal year 2014, Medtronic received expanded labeling for full-body MRI scans from the U.S. FDA.

Acceptance of Cardiocom s remote telemonitoring solutions business for the management of chronic diseases such as heart failure, diabetes, and hypertension. Cardiocom was acquired in August 2013. In the third quarter of fiscal year 2014, Cardiocom launched a readmission reduction program focused on minimizing heart failure readmission penalties for U.S. hospitals.

Acceptance of Medtronic s CLMS business. CLMS provides a unique service offering, whereby Medtronic enters into long-term contracts with hospitals, both within Europe and in certain other regions around the world, to upgrade and more effectively manage their cath lab and hybrid operating rooms.

Continued acceptance of Medtronic s CoreValve transcatheter heart valve technologies for the replacement of the aortic valve. Medtronic received U.S. FDA approval for Medtronic s CoreValve transcatheter aortic heart valve for extreme risk patients in the U.S in the third quarter of fiscal year 2014. Medtronic received U.S. FDA

approval for high risk patients in June 2014.

Continued acceptance of the Resolute Integrity drug-eluting coronary stent and the Integrity bare metal stent. Medtronic launched small vessel sizes and longer lengths of Medtronic s Resolute Integrity drug-eluting coronary stent in Japan during the second and third quarters of fiscal year 2014, respectively. The global stent market continues to experience pricing pressure resulting from government austerity programs and reimbursement cuts in Western Europe, Japan, and India.

Continued worldwide growth of the Valiant Captivia Thoracic Stent Graft System. Medtronic received U.S. FDA approval of a dissection indication for the Valiant Captivia Thoracic Stent Graft System in January 2014.

Continued and future acceptance of the Endurant II AAA Stent Graft System.

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Restorative Therapies Group

The Restorative Therapies Group is composed of the Spine, Neuromodulation, and Surgical Technologies businesses. The Restorative Therapies Group includes products for various areas of the spine, bone graft substitutes, biologic products, trauma, implantable neurostimulation therapies and drug delivery systems for the treatment of chronic pain, movement disorders, obsessive-compulsive disorder (OCD), overactive bladder, urinary retention, fecal incontinence and gastroparesis, products to treat conditions of the ear, nose, and throat, systems that incorporate advanced energy surgical instruments, and products for surgical thermal ablation and thermal tumor therapy. Additionally, this group manufactures and sells image-guided surgery and intra-operative imaging systems. The Restorative Therapies Group s net sales for the three months ended July 25, 2014 were $1.603 billion, an increase of 3 percent compared to the same period in the prior fiscal year. Foreign currency translation had a favorable impact on net sales for the three months ended July 25, 2014 of $8 million, compared to the same period in the prior fiscal year. The Restorative Therapies Group s performance for the three months ended July 25, 2014 was favorably impacted by strong growth in Neuromodulation and solid growth in Surgical Technologies, partially offset by declines in Spine, primarily driven by BMP and Core Spine. See the more detailed discussion of each business s performance below.

Spine net sales for the three months ended July 25, 2014 were $743 million, a decrease of 3 percent compared to the same period in the prior fiscal year. The decrease in Spine s net sales for the three months ended July 25, 2014 was primarily driven by declines in BMP and Core Spine, partially offset by growth in Interventional Spine. For the three months ended July 25, 2014, net sales for interventional spine grew 4%, primarily driven by Medtronic s focus on market development strategies in the U.S., Germany, and Japan. Net sales in BMP for the three months ended July 25, 2014 declined 11 percent compared to the same period in the prior fiscal year, driven primarily by a reduction in usage of INFUSE bone grafts due to surgeon and patient selection, payer pushback, and the overall use of smaller kits. Core Spine net sales declined 2 percent for the three months ended July 25, 2014 compared to the same periods in the prior fiscal year, driven primarily by short-term pressure in the U.S. as a result of inventory rebalancing and the timing of new product launches. For the three months ended July 25, 2014, the U.S. Core Spine market was relatively flat.

Neuromodulation net sales for the three months ended July 25, 2014 were $479 million, an increase of 12 percent compared to the same period in the prior fiscal year. The increase in net sales for the three months ended July 25, 2014 was primarily due to strong global growth of Medtronic s RestoreSensor SureScan MRI system, Gastroenterology & Urology Systems implants in the U.S., and Medtronic s Activa deep brain stimulation (DBS) systems for movement disorders as a result of both continued referral development in the U.S. and international momentum from the EARLYSTIM data. Net sales of Medtronic s SureScan MRI system demonstrate Medtronic s continued strength in the market as Medtronic maintained market share leadership globally.

Surgical Technologies net sales for the three months ended July 25, 2014 were $381 million, an increase of 6 percent compared to the same period in the prior fiscal year. The increase in net sales for the three months ended July 25, 2014 was driven by continued worldwide net sales growth across the portfolio of ear, nose and throat (ENT), Neurosurgery, and Advanced Energy. Growth for the three months ended July 25, 2014 was driven by strong growth of Midas Rex products, monitoring, and the Aquamantys Transcollation and PEAK (as defined herein) PlasmaBlade technologies, as well as growth in CSF management and power systems. Medtronic completed the acquisition of Visualase, Inc. (Visualase), at the end of Q1, adding a MRI-guided laser ablation technology to Medtronic s broad suite of neuroscience solutions for neurosurgery.

Looking ahead, Medtronic expects its Restorative Therapies Group could be affected by the following:

Changes in procedural volumes, competitive and pricing pressure, reimbursement challenges, impacts from changes in the mix of Medtronic s product offerings, and fluctuations in foreign currency.

Market acceptance and continued adoption of innovative new products, such as Medtronic s Solera spine fixation system, BRYAN Cervical Artificial Disc, Medtronic s other biologics products, including

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MagniFuse and Grafton products, and the PRESTIGE LP Cervical Artificial Disc, which received U.S. FDA approval subsequent to July 25, 2014.

Market acceptance of premium BKP within Interventional Spine. Medtronic remains focused on communicating the clinical and economic benefits for BKP and will continue to tailor this product offering to meet market needs and respond to competitive challenges. Medtronic anticipates additional continued pricing pressures and competitive alternatives in the U.S. and European markets. Additionally, opportunities for growth exist in vertebroplasty and other vertebral compression fractures (VCF) treatments. Medtronic continues to evaluate global markets and specific therapies for ways to treat more patients with VCF.

Acceptance of Kanghui s (as defined herein) broad portfolio of trauma, spine, and large-joint reconstruction products focused on the growing global value segment.

Adoption rates of stimulators and leads approved for full-body MRI scans to treat chronic pain in major markets around the world. Medtronic s European launch occurred in fiscal year 2013. Medtronic s launches in the U.S., Japan, and Australia occurred in fiscal year 2014.

Continued acceptance of the non-MRI pain stimulators to treat chronic pain, including RestoreSensor, which is currently available in the U.S. and certain international markets. RestoreSensor is a neurostimulator for chronic pain that automatically adjusts to the patients position changes.

Resolution of issues with the U.S. FDA relating to Medtronic s Neuromodulation business. In July 2012, Medtronic received a U.S. FDA warning letter regarding findings related primarily to Medtronic s Neuromodulation corrective and preventative action (CAPA) and complaint handling processes. Medtronic is currently working with the U.S. FDA to resolve the issues. This warning letter may limit Medtronic s ability to launch certain new Neuromodulation products in the U.S. until it is resolved.

Continued and future acceptance of Medtronic s current indications for Medtronic DBS Therapy for the treatment of movement disorders, epilepsy (approved in Europe), and OCD. The DBS Therapy portfolio includes Activa PC, Medtronic s small and advanced primary cell battery, and Activa RC, a rechargeable DBS device.

Continued acceptance of InterStim Therapy for the treatment of the symptoms of overactive bladder, urinary retention, and bowel incontinence. Medtronic launched InterStim Therapy for the treatment of the symptoms of bowel incontinence in Japan during the fourth quarter of fiscal year 2014.

Continued growth from Advanced Energy products and strategies to focus on its four core markets of orthopedic, spine, breast surgery, and Cardiac Rhythm & Heart Failure replacements.

Continued acceptance of the Surgical Technologies StealthStation S7 and O-Arm Imaging Systems.

Continued acceptance and growth of intraoperative nerve monitoring during surgical procedures utilizing the NIM-Response 3.0 during head and neck surgical procedures. Additionally, continued growth in nerve monitoring utilizing the NIM Eclipse system during spinal surgical procedures.

Diabetes Group

The Diabetes Group products include insulin pumps, CGM systems, insulin pump consumables, and therapy management software. The Diabetes Group s net sales for the three months ended July 25, 2014 were $416 million, an increase of 13 percent over the same period in the prior fiscal year. Foreign currency translation had a $4 million favorable impact on net sales for the three months ended July 25, 2014 compared to the same period in the prior fiscal year. The Diabetes Group s performance was primarily the result of 16 percent growth in the U.S. for the three months ended July 25, 2014 compared to the same period in the prior fiscal year. Growth in the U.S. was driven by the ongoing launch of the MiniMed 530G System with Enlite Sensor. Approval was obtained late in the second quarter of fiscal year 2014. Net sales in the international markets increased 9 percent for the three months ended July 25, 2014 compared to the same period in the prior fiscal year. The Diabetes Group s performance in international markets was favorably affected by the continued adoption and use of the Veo insulin pump with low-glucose suspend and Enlite CGM sensor.

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Looking ahead, Medtronic expects its Diabetes Group could be impacted by the following:

Potential risk of pricing pressures, reduction in reimbursement rates, and fluctuations in foreign currency.

Changes in medical reimbursement policies and programs. Continued acceptance and improved reimbursement of CGM technologies.

Continued acceptance from both physicians and patients of insulin-pump and CGM therapy.

Continued and future growth of the MiniMed 530G System, available in the U.S., which includes the insulin pump and Enlite sensor. This is the first system in the U.S. that assists in protecting against the risk of hypoglycemia by automatically suspending insulin delivery when glucose falls below a specified threshold.

Medtronic is working with the U.S. FDA to address its questions on the Diabetes quality system, included in its September 2013 warning letter. This warning letter may limit Medtronic s ability to launch certain new diabetes products in the U.S. until it is resolved.

Acceptance and future growth from Medtronic s next-generation pump system the MiniMed 640G. Medtronic expects to launch the MiniMed 640G pump system in certain international markets beginning in the second quarter of fiscal year 2015.

Costs And Expenses

The following is a summary of major costs and expenses as a percent of net sales:

	Three months ended	
	July 25, 2014	**July 26, 2013**
Cost of products sold	25.9%	25.0%
Research and development expense	8.5	8.8
Selling, general, and administrative expense	35.2	34.7
Special charges		1.0
Restructuring charges, net	0.7	0.4
Acquisition-related items	1.0	(2.4)
Amortization of intangible assets	2.0	2.1
Other expense, net	1.2	1.1
Interest expense, net	0.1	1.0

Cost of Products Sold

Cost of products sold as a percent of net sales was higher than Medtronic s historical levels and increased 0.9 of a percentage point for the three months ended July 25, 2014 compared to the same period in the prior fiscal year. Cost

of products sold as a percent of net sales in the three months ended July 25, 2014 was negatively impacted by unfavorable foreign currency, product mix shifts in Cardiac Rhythm and Heart Failure, and reduced reimbursement in Japan as a result of its biennial pricing adjustments. Medtronic continues to mitigate pricing pressure through Medtronic s five-year $1.2 billion cost of products sold reduction program.

Research and Development

Medtronic has continued to invest in new technologies to drive future growth. Research and development expense for the three months ended July 25, 2014 was $365 million. For the three months ended July 25, 2014, research and development expense as a percent of net sales decreased 0.3 of a percentage point as compared to the same period in the prior fiscal year. The decrease in research and development expense as a percent of net sales for the three months ended July 25, 2014 was driven by higher net sales as a result of new product launches. Research and development expense remained relatively flat compared to the same period in the prior fiscal year.

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Selling, General, and Administrative

Selling, general, and administrative expense for the three months ended July 25, 2014 was $1.506 billion. For the three months ended July 25, 2014, selling, general, and administrative expense as a percent of net sales increased 0.5 of a percentage point as compared to the same period in the prior fiscal year. This increase was primarily a result of investments to drive CoreValve sales and higher incentive payments due to performance of new product launches.

Special Charges, Restructuring Charges, Net, and Acquisition-Related Items

Special charges, restructuring charges, net, and acquisition-related items for the three months ended July 25, 2014 and July 26, 2013 were as follows:

	Three months ended	
(in millions)	**July 25, 2014**	**July 26, 2013**
Special charges	$	$ 40
Restructuring charges, net	30	18
Acquisition-related items	41	(96)
Net tax impact of special charges, restructuring charges, net, and acquisition-related items	(8)	(17)
Total special charges, restructuring charges, net, and acquisition-related items, net of tax	$ 63	$ (55)

Special Charges

During the three months ended July 26, 2013, consistent with Medtronic s commitment to improving the health of people and communities throughout the world, Medtronic made a $40 million charitable contribution to the Medtronic Foundation, which is a related party non-profit organization.

Restructuring Charges, Net

Fiscal Year 2014 Initiative

The fiscal year 2014 initiative primarily related to Medtronic s renal denervation business, certain manufacturing shut-downs, and a reduction of back-office support functions in Europe. In the fourth quarter of fiscal year 2014, Medtronic recorded a $116 million restructuring charge, which consisted of employee termination costs of $65 million, asset write-downs of $26 million, contract termination costs of $3 million, and other related costs of $22 million. Of the $26 million of asset write-downs, $10 million related to inventory write-offs of discontinued product lines and production-related asset impairments, and therefore, was recorded within *cost of products sold* in the condensed consolidated statements of earnings. In the first quarter of fiscal year 2015, Medtronic recorded a $38 million restructuring charge, which was the final charge related to the fiscal year 2014 initiative and consisted primarily of contract termination and other related costs of $28 million.

As a result of certain employees identified for elimination finding other positions within Medtronic and revisions to particular strategies, Medtronic recorded a $6 million reversal of excess restructuring reserves in the first quarter of fiscal year 2015.

The fiscal year 2014 initiative is scheduled to be substantially complete by the end of the fourth quarter of fiscal year 2015 and is expected to produce annualized operating savings of approximately $60 to $75 million. These savings will arise mostly from reduced compensation expense.

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Fiscal Year 2013 Initiative

The fiscal year 2013 initiative was designed to scale back Medtronic s infrastructure in slower growing areas of Medtronic s business, while continuing to invest in geographies, businesses, and products where Medtronic anticipates faster growth. A number of factors have contributed to ongoing challenging market dynamics, including increased pricing pressure, various governmental austerity measures, and the U.S. medical device excise tax. In the fourth quarter of fiscal year 2013, Medtronic recorded a $192 million restructuring charge, which consisted of employee termination costs of $150 million, asset write-downs of $13 million, contract termination costs of $18 million, and other related costs of $11 million. Of the $13 million of asset write-downs, $10 million related to inventory write-offs of discontinued product lines and production-related asset impairments, and therefore, was recorded within *cost of products sold* in the condensed consolidated statements of earnings. In the first quarter of fiscal year 2014, Medtronic recorded an $18 million restructuring charge, which is the final charge related to the fiscal year 2013 initiative and consisted primarily of contract termination costs of $14 million and other related costs of $4 million.

In the first quarter of fiscal year 2015, Medtronic recorded a $2 million reversal of excess restructuring reserves as a result of certain employees identified for elimination finding other positions within Medtronic and revisions to particular strategies.

As a result of certain legal requirements outside the U.S., the fiscal year 2013 initiative is scheduled to be substantially complete by the end of the third quarter of fiscal year 2016.

Acquisition-Related Items

During the three months ended July 25, 2014, Medtronic recorded acquisition-related items of $41 million primarily due to costs incurred in connection with the pending Covidien acquisition.

During the three months ended July 26, 2013, Medtronic recorded net income from acquisition-related items of $96 million related to the change in fair value of contingent consideration associated with Ardian, Inc. (Ardian) acquisition.

Amortization of Intangible Assets

Amortization of intangible assets includes the amortization expense of Medtronic s definite-lived intangible assets consisting of patents, trademarks, tradenames, purchased technology, and other intangible assets. For the three months ended July 25, 2014, amortization expense was $87 million, as compared to $86 million for the same periods of the prior fiscal year. For the three months ended July 25, 2014, the slight increase in amortization expense over the same period in the prior fiscal year of $1 million was primarily due to the second quarter fiscal year 2014 acquisition of Cardiocom and the third quarter fiscal year 2014 acquisition of TYRX, partially offset by reduced ongoing amortization expense from certain intangible assets that became fully amortized.

Other Expense, Net

Other expense, net includes royalty income and expense, realized equity security gains and losses, realized foreign currency transaction and derivative gains and losses, impairment charges on equity securities, the Puerto Rico excise tax, and the U.S. medical device excise tax. For the three months ended July 25, 2014, other expense, net was $51 million as compared to $44 million for the same period in the prior fiscal year. For the three months ended July 25, 2014, the net expense increased $7 million primarily due to the impact of foreign currency gains and losses, partially offset by gains on certain available-for-sale marketable equity securities. For the three months ended July 25, 2014,

total foreign currency losses recorded in other expense, net were $9 million compared to gains of $18 million in the same period in the prior fiscal year.

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Interest Expense, Net

Interest expense, net includes interest earned on Medtronic s cash, cash equivalents, and investments, interest incurred on Medtronic s outstanding borrowings, amortization of debt issuance costs and debt discounts, the net realized and unrealized gain or loss on trading securities, ineffectiveness on interest rate derivative instruments, amortization of terminated interest rate swap agreements, and the net realized gain or loss on the sale or impairment of available-for-sale debt securities. For the three months ended July 25, 2014, interest expense, net was $5 million, as compared to $40 million for the same period of the prior fiscal year. The decrease in interest expense, net during the three months ended July 25, 2014 was driven by an increase in interest income due to higher yielding investments earned on a higher investment balance as a result of changes in Medtronic s investment strategy.

Income Taxes

	Three months ended	
(dollars in millions)	**July 25, 2014**	**July 26, 2013**
Provision for income taxes	$ 212	$ 200
Effective tax rate	19.6%	17.3%
Net tax impact of special charges, restructuring charges, net, and acquisition-related items	(0.5)	2.2
Non-GAAP nominal tax rate[(1)]	19.1%	19.5%

(1) Non-GAAP nominal tax rate is defined as the income tax provision as a percentage of earnings before income taxes, excluding special charges, restructuring charges, net, certain litigation charges, net, acquisition-related items, and certain tax adjustments. Medtronic believes that the resulting non-GAAP financial measure provides useful information to investors because it excludes the effect of these discrete items so that investors can compare Medtronic s recurring results over multiple periods. 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 s effective tax rate for the three months ended July 25, 2014 was 19.6 percent, compared to 17.3 percent for the three months ended July 26, 2013. The increase in Medtronic s effective tax rate was primarily due to the tax impact of special charges, restructuring charges, net, acquisition-related items, and the expiration of the U.S. federal research and development tax credit on December 31, 2013, partially offset by the benefit from year-over-year changes in operational results by jurisdiction. Medtronic s non-GAAP nominal tax rate for the three months ended July 25, 2014 was 19.1 percent, compared to 19.5 percent for the three months ended July 26, 2013. The decrease in Medtronic s non-GAAP nominal tax rate was primarily due to the year-over-year changes in operational results by jurisdiction, partially offset by the expiration of the U.S. federal research and development tax credit on December 31, 2013.

As of July 25, 2014, there were no changes to significant unresolved matters with the U.S. Internal Revenue Service or foreign tax authorities from what Medtronic discloses elsewhere in this joint proxy statement/prospectus.

See Note 14 to the condensed consolidated unaudited financial statements for the period ended July 25, 2014 beginning on page F-32 of this joint proxy statement/prospectus for additional information.

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Results of Operations for the Fiscal Years Ended 2014 and 2013

Net Sales

The table below illustrates net sales by product line and operating segment for fiscal years 2014, 2013, and 2012:

(dollars in millions)	Net Sales Fiscal Year 2014	2013	% Change	Net Sales Fiscal Year 2013	2012	% Change
Defibrillation Systems	$ 2,757	$ 2,773	(1)%	$ 2,773	$ 2,822	(2)%
Pacing Systems	1,892	1,906	(1)	1,906	1,978	(4)
AF and Other	347	243	43	243	207	17
CARDIAC RHYTHM DISEASE MANAGEMENT	4,996	4,922	2	4,922	5,007	(2)
CORONARY	1,744	1,773	(2)	1,773	1,598	11
STRUCTURAL HEART	1,212	1,133	7	1,133	1,094	4
ENDOVASCULAR	895	867	3	867	783	11
TOTAL CARDIAC AND VASCULAR GROUP	**8,847**	**8,695**	**2**	**8,695**	**8,482**	**3**
Core Spine	2,570	2,603	(1)	2,603	2,643	(2)
BMP	471	528	(11)	528	624	(15)
SPINE	3,041	3,131	(3)	3,131	3,267	(4)
NEUROMODULATION	1,898	1,812	5	1,812	1,700	7
SURGICAL TECHNOLOGIES	1,562	1,426	10	1,426	1,254	14
TOTAL RESTORATIVE THERAPIES GROUP	**6,501**	**6,369**	**2**	**6,369**	**6,221**	**2**
DIABETES GROUP	**1,657**	**1,526**	**9**	**1,526**	**1,481**	**3**
TOTAL	**$ 17,005**	**$ 16,590**	**3%**	**$ 16,590**	**$ 16,184**	**3%**

In fiscal years 2014 and 2013, net sales were unfavorably impacted by foreign currency translation of $175 million and $328 million, respectively. The primary exchange rate movements that impacted Medtronic s consolidated net sales growth were the U.S. dollar as compared to the Euro and the Japanese Yen. The impact of foreign currency fluctuations on net sales was not indicative of the impact on net earnings due to the offsetting foreign currency impact on operating costs and expenses and Medtronic s hedging activities. See *Risk Factors* beginning on page 40 of this joint proxy statement/prospectus and Note 9 to Medtronic s consolidated audited financial statements beginning on page F-80 of this joint proxy statement/prospectus for further details on foreign currency instruments and Medtronic s related risk management strategies.

Cardiac and Vascular Group

The Cardiac and Vascular Group is composed of the CRDM (now known as Cardiac Rhythm and Heart Failure), Coronary, Structural Heart (together now known as Coronary and Structural Heart), and Endovascular (now known as Aortic and Peripheral) businesses. The Cardiac and Vascular Group s products include pacemakers, insertable cardiac monitor, implantable defibrillators, leads and delivery systems, ablation products, electrophysiology catheters, products for the treatment of AF, information systems for the management of patients with CRDM devices, products designed to reduce surgical site infections, coronary and peripheral stents

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and related delivery systems, therapies for uncontrolled hypertension, endovascular stent graft systems, heart valve replacement technologies, cardiac tissue ablation systems, and open heart and coronary bypass grafting surgical products. The Cardiac and Vascular Group also includes CLMS. The Cardiac and Vascular Group s net sales for fiscal year 2014 were $8.847 billion, an increase of 2 percent compared to the prior fiscal year. Foreign currency translation had an unfavorable impact on net sales of $118 million compared to the prior fiscal year. The Cardiac and Vascular Group s performance was primarily a result of strong net sales in AF and Other, and solid growth in Structural Heart and Endovascular, partially offset by slight declines in Coronary and CRDM defibrillation and pacing systems which is primarily due to pricing pressures. Additionally, the Cardiac and Vascular Group s performance was favorably affected by new products and the August 2013 acquisition of Cardiocom and January 2014 acquisition of TYRX. See the more detailed discussion of each business s performance below.

CRDM net sales for fiscal year 2014 were $4.996 billion, an increase of 2 percent compared to the prior fiscal year. Net sales of Medtronic s defibrillation system products were negatively impacted by unfavorable foreign currency translation. In addition, declines in the U.S. market were offset by increases in international market growth rates and market share gains, as well as the continued acceptance of Medtronic s shock reduction and lead integrity alert technologies, and Medtronic s recently launched Viva/Brava family of implantable cardiac resynchronization therapy (CRT) CRT-D and Evera family of ICDs. Fiscal year 2014 net sales of Medtronic s defibrillation system products in the U.S. were impacted by declines in implant volumes, partially offset by increased inventory levels at U.S. hospitals. In addition, Medtronic continues to face pricing pressures in certain international markets. Worldwide net sales of Medtronic s pacing system products declined slightly due to unfavorable foreign currency translation. Fiscal year 2014 net sales of Medtronic s pacing system products were impacted by sales of Medtronic s recently launched Advisa DR MRI SureScan in the U.S. and Japan in the fourth and second quarters of fiscal year 2013, respectively, and a strong launch of Reveal LINQ, Medtronic s next generation insertable cardiac monitor, in Western Europe and the U.S. in the second half of fiscal year 2014. The growth in net sales of Medtronic s pacing system products was partially offset by declines in the U.S. market and pricing pressures in certain international markets. Worldwide net sales of Medtronic s AF and Other products offset the above declines. AF and Other net sales increased primarily due to the continued global acceptance of the Arctic Front system and net sales from the acquisition of Cardiocom and CLMS.

Coronary net sales for fiscal year 2014 were $1.744 billion, a decrease of 2 percent compared to the prior fiscal year. The decrease in Coronary net sales was primarily driven by unfavorable foreign currency translation and pricing pressures in the U.S., Western Europe, and India, partially offset by worldwide share gains in drug-eluting stents, driven by the continued strength of Medtronic s Resolute Integrity drug-eluting coronary stent. Medtronic received U.S. FDA approval for longer lengths of this product in the fourth quarter of fiscal year 2013 and launched small vessel sizes of this product in Japan in the second quarter of fiscal year 2014.

Structural Heart net sales for fiscal year 2014 were $1.212 billion, an increase of 7 percent compared to the prior fiscal year. The increase in Structural Heart net sales was primarily driven by strong sales of the CoreValve transcatheter aortic heart valves in Western Europe and of Medtronic s perfusion system and blood management products in emerging markets. Growth was also driven by a strong initial U.S. launch of CoreValve transcatheter aortic heart valves for extreme risk patients in the fourth quarter of fiscal year 2014. Growth was partially offset by declines in Medtronic s cardiopulmonary product lines driven principally by a competitor s full reentry into the market following a supply disruption and by unfavorable foreign currency translation.

Endovascular net sales for fiscal year 2014 were $895 million, an increase of 3 percent compared to the prior fiscal year. The increase in Endovascular net sales was driven by strong sales of Medtronic s Valiant Captivia Thoracic Stent Graft System, as well as the launch of the Endurant II AAA Stent Graft System in Japan in the first quarter of fiscal year 2014. Growth was partially offset by the divestiture of a reentry catheter product line in the second quarter of fiscal year 2014, the removal of a peripheral below-the-knee product from the market, unfavorable foreign currency

translation, and increased competitive and pricing pressures in the U.S., Western Europe, and Japan.

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The Cardiac and Vascular Group net sales for fiscal year 2013 were $8.695 billion, an increase of 3 percent compared to the prior fiscal year. Foreign currency translation had an unfavorable impact on net sales of $224 million compared to the prior fiscal year. The Cardiac and Vascular Group s performance was primarily a result of strong net sales in Coronary, Endovascular, AF Solutions, and solid growth in Structural Heart, partially offset by declines in CRDM defibrillation and pacing systems. Additionally, the Cardiac and Vascular Group s performance was favorably affected by new products, partially offset by competitive pricing pressures and negative growth of certain markets, particularly defibrillation and pacing systems. Further, declining growth rates in Western Europe beginning in the third quarter of fiscal year 2013 negatively impacted the Cardiac and Vascular Group s performance. See the more detailed discussion of each business s performance below.

CRDM net sales for fiscal year 2013 were $4.922 billion, a decrease of 2 percent compared to the prior fiscal year. Net sales of Medtronic s defibrillation system products declined primarily due to market declines in the U.S. and Western Europe and unfavorable foreign currency translation. In fiscal year 2012, CRDM net sales were unfavorably affected by a declining U.S. defibrillation systems market. However, during fiscal year 2013, the U.S. defibrillation systems market showed signs of stabilization. In addition, U.S. procedure volumes increased slightly in fiscal year 2013, while the rate of pricing declines was fairly consistent with the prior year. The U.S. and Western Europe markets were adversely affected by a number of factors, including competition and pricing pressures. The continued acceptance of Medtronic s shock reduction and lead integrity alert technologies, Medtronic s recently launched Viva/Brava family of CRT-D devices, increasing lead-to-port ratios, and share gains partially offset the decline in net sales of Medtronic s defibrillation system products. Worldwide net sales of Medtronic s pacing system products declined primarily due to unfavorable foreign currency translation, declines in the U.S. market caused by pricing pressures and declining implant volumes, and to a lesser extent, pricing pressures in the Western Europe market. The decline in net sales of Medtronic s pacing system products was partially offset by international share gains driven mostly by the launch of Medtronic s Advisa DR MRI SureScan pacemaker in Japan in the second quarter of fiscal year 2013. Worldwide net sales of Medtronic s AF Solutions products increased primarily due to the continued global acceptance of the Arctic Front system.

Coronary net sales for fiscal year 2013 were $1.773 billion, an increase of 11 percent compared to the prior fiscal year. The increase in Coronary net sales was primarily due to the continued strength of Medtronic s Resolute Integrity drug-eluting coronary stent. Medtronic launched Resolute Integrity in Japan in the second quarter of fiscal year 2013 and in the U.S. in the fourth quarter of fiscal year 2012. Resolute Integrity s deliverability and unique diabetes indication has continued to receive strong customer acceptance and Medtronic received U.S. FDA approval for longer lengths of this product in the fourth quarter of fiscal year 2013. Growth was partially offset by unfavorable foreign currency translation as well as pricing pressures and competitive launches in Western Europe.

Structural Heart net sales for fiscal year 2013 were $1.133 billion, an increase of 4 percent compared to the prior fiscal year. The increase in Structural Heart net sales was primarily driven by strong sales of transcatheter aortic heart valves and growth in Medtronic s cardiopulmonary product lines driven principally by a competitor s supply disruption. Growth was partially offset by unfavorable foreign currency translation and slowing market growth rates and increased competitive pressure for transcatheter aortic heart valves in Western Europe.

Endovascular net sales for fiscal year 2013 were $867 million, an increase of 11 percent compared to the prior fiscal year. The increase in Endovascular net sales was led by new product launches. Growth was driven by the Endurant AAA Stent Graft System, which launched in Japan in the third quarter of fiscal year 2012, as well as the Valiant Captivia Thoracic Stent Graft System, which launched in the U.S. in the fourth quarter of fiscal year 2012 and in Japan and China in the first quarter of fiscal year 2013. Strong worldwide sales of Medtronic s peripheral stent products and drug-eluting balloons also contributed to the growth. Growth was partially offset by unfavorable foreign currency translation and increased competitive pressure in the U.S.

Looking ahead, Medtronic expects its Cardiac and Vascular Group could be impacted by the following:

Increasing competition, fluctuations in foreign currency, and continued pricing pressures. Medtronic has seen a reduction of pricing pressure in fiscal year 2014 with the launch of several new products and believes Medtronic s new technologies may continue to partially mitigate near-term pricing pressures.

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The launch of Reveal LINQ, Medtronic s next-generation insertable cardiac monitor, in international and U.S. markets in the third and fourth quarters of fiscal year 2014, respectively.

Continued and future growth from the Arctic Front system, including the second generation Arctic Front Advance Cardiac Cryoballoon launched in the second quarter of fiscal year 2013. The Arctic Front system is a cryoballoon indicated for the treatment of drug refractory paroxysmal atrial fibrillation. The cryoballoon treatment involves a minimally invasive procedure that efficiently creates circumferential lesions around the pulmonary vein, which studies have indicated is the source of erratic electrical signals that cause irregular heartbeat.

Integration of TYRX into the Cardiac and Vascular Group. TYRX was acquired in January 2014. Medtronic believes that this proprietary technology reduces infections that can result from device implants. Medtronic intends to leverage this technology initially in CRDM, and ultimately in other businesses such as Neuromodulation.

Continued acceptance and future growth from the Evera family of ICDs, which received CE Mark approval in February 2013 and U.S. FDA and Japan Pharmaceutical and Medical Devices Agency (PMDA) approval in May 2013. The Evera family of ICDs have increased battery longevity, advanced shock reduction technology, and a contoured shape with thin, smooth edges that better fits inside the body. Medtronic received CE Mark approval for its Evera MRI SureScan ICD, the only ICD system approved for full-body MRI scans, late in the fourth quarter of fiscal year 2014.

Continued acceptance and future growth from the Viva/Brava family of CRT-D devices and the Attain Performa portfolio of quadripolar leads. The Viva/Brava family of CRT-D devices utilizes a new algorithm, called AdaptivCRT, which improves patients response rates to CRT-D therapy by preserving the patients normal heart rhythms and continually adapts to individual patient needs. Medtronic s Viva/Brava CRT-D devices received CE Mark approval in August 2012, received U.S. FDA approval in May 2013, and launched in Japan in the third quarter of fiscal year 2014. Paired with Viva/Brava Quad CRT-D, Attain Performa leads provide additional options for physicians to optimize patient therapy. Medtronic s Attain Performa left-heart leads received CE Mark approval in March 2013 and launched in Japan in the third quarter of fiscal year 2014.

Continued acceptance and future growth from the Advisa DR MRI SureScan pacing system. The Advisa DR MRI SureScan is Medtronic s second-generation MRI pacing system and is the first system to combine advanced pacing technology with proven MRI access. The Advisa DR MRI SureScan was launched in Europe during the fourth quarter of fiscal year 2010, in Japan in the second quarter of fiscal year 2013, and in the U.S. in February 2013. In the third quarter of fiscal year 2014, Medtronic received expanded labeling for full-body MRI scans from the U.S. FDA.

Acceptance of Cardiocom s integrated solutions for the management of chronic diseases such as heart failure, diabetes, and hypertension. Cardiocom was acquired in August 2013. In the third quarter of fiscal year 2014, Cardiocom launched Re30, a 30-day readmission reduction program focused on minimizing heart failure readmission penalties for U.S. hospitals.

Acceptance of Medtronic s CLMS business. CLMS provides a unique service offering, whereby Medtronic enters into long-term contracts with hospitals to upgrade and more effectively manage their cath lab and hybrid operating rooms.

Continued evaluation of the long-term strategy of Medtronic s renal denervation therapy. In January 2014, Medtronic announced its U.S. pivotal trial in renal denervation for treatment-resistant hypertension, Symplicity HTN-3, failed to meet its primary efficacy endpoint, while its primary safety endpoint was achieved. Based on the results of the trial, Medtronic has suspended enrollment of its renal denervation hypertension trials that were being conducted in the U.S., Japan, and India. Medtronic will continue to provide access to the Symplicity system in countries where it has regulatory approval and Medtronic remains in discussions with the U.S. FDA regarding a potential approval path for the U.S.

Continued acceptance of the Resolute Integrity drug-eluting coronary stent and the Integrity bare metal stent. In February 2013, the U.S. FDA approved longer lengths of Medtronic s Resolute Integrity drug-eluting coronary stent, providing access to a larger portion of the U.S. drug-eluting stent market. Medtronic launched small vessel sizes and longer lengths of its Resolute Integrity drug-eluting coronary stent in Japan during the second and third quarters of fiscal year 2014, respectively. The global stent market continues to experience year-over-year declines, including increasing pricing pressure resulting from government austerity programs and reimbursement cuts in Western Europe, Japan, and India.

Continued acceptance of Medtronic s CoreValve transcatheter heart valve technologies for the replacement of the aortic valve. The CoreValve 31 millimeter received CE Mark approval in the first quarter of fiscal year 2012. The CoreValve Evolut 23 millimeter valve, which promotes better sealing and provides future recapturability, was launched in Europe in the first quarter of fiscal year 2013. The CoreValve System received CE Mark approval and is currently available outside the U.S. Late in the third quarter of fiscal year 2014, Medtronic received U.S. FDA approval for Medtronic s CoreValve transcatheter aortic heart valve for extreme risk patients in the U.S. Medtronic received U.S. approval for high risk patients in June 2014. Additionally, CoreValve related patent litigation with Edwards Lifesciences Corporation (Edwards) was settled in May 2014, requiring ongoing royalty payments through April 2022. For additional information, see Note 18 to Medtronic s consolidated audited financial statements beginning on page F-110 of this joint proxy statement/prospectus.

Continued worldwide growth of the Valiant Captivia Thoracic Stent Graft System. The Valiant Captivia Thoracic Stent Graft System was launched in the U.S. in the fourth quarter of fiscal year 2012 and in Japan and China in the first quarter of fiscal year 2013. Medtronic received U.S. FDA approval of a dissection indication for the Valiant Captivia Thoracic Stent Graft System in January 2014.

Continued and future acceptance of the Endurant II AAA Stent Graft System. Medtronic s Endurant II AAA Stent Graft System was launched in Europe in the third quarter of fiscal year 2012, in the U.S. in the first quarter of fiscal year 2013, and in Japan in the first quarter of fiscal year 2014.

Restorative Therapies Group

The Restorative Therapies Group is composed of the Spine, Neuromodulation, and Surgical Technologies businesses. The Restorative Therapies Group includes products for various areas of the spine, bone graft substitutes, biologic products, trauma, implantable neurostimulation therapies and drug delivery systems for the treatment of chronic pain, movement disorders, OCD, overactive bladder, urinary retention, fecal incontinence and gastroparesis, products to treat conditions of the ear, nose, and throat, and systems that incorporate advanced energy surgical instruments. Additionally, this group manufactures and sells image-guided surgery and intra-operative imaging systems. The Restorative Therapies Group s net sales for fiscal year 2014 were $6.501 billion, an increase of 2 percent over the prior fiscal year. Foreign currency translation had an unfavorable impact on net sales of approximately $58 million when compared to the prior fiscal year. The Restorative Therapies Group s performance for fiscal year 2014 was favorably impacted by strong net sales in Surgical Technologies and growth in Neuromodulation, partially offset by declines in Spine, primarily driven by BMP and BKP. See the more detailed discussion of each business s performance below.

Spine net sales for fiscal year 2014 were $3.041 billion, a decrease of 3 percent over the prior fiscal year. The decrease in Spine s net sales for fiscal year 2014 was primarily driven by declines in BMP and BKP of 11 percent and 9 percent, respectively, and unfavorable foreign currency translation. Net sales in BKP for fiscal year 2014 declined 9 percent compared to the prior fiscal year due to increased competition, pricing pressures, and reimbursement challenges with

select payers. Significant declines in U.S. sales of INFUSE bone graft have continued since the June 2011 articles in *The Spine Journal*, as further described in the Restorative Therapies Group s looking ahead discussion below. In addition, some surgeons continue to reduce their usage through both patient selection and the use of smaller kits. Core Spine net sales declined 1 percent for fiscal year 2014 compared to the same period in the prior fiscal year primarily due to unfavorable foreign currency translation and

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negative performance in BKP as discussed above, which were substantially offset by recent launches of Medtronic s new products and therapies, including product line extensions to Medtronic s Vertex platform and BRYAN artificial cervical disc, as well as the continued adoption of other biologics products. The global Core Spine markets were relatively flat on a year-over-year basis. During fiscal year 2014, Core Spine benefited from Medtronic s focus on enabling technologies, including the O-Arm imaging system, StealthStation navigation, and Powerease powered surgical instruments. Medtronic s Kanghui orthopedics business in China continues to perform well and offset the revenues in the previous year from Medtronic s former joint venture with Shandong Weigao Group Medical Polymer Company Limited.

Neuromodulation net sales for fiscal year 2014 were $1.898 billion, an increase of 5 percent over the prior fiscal year. The increase in net sales was primarily due to 8 percent growth in international markets, strong global growth of Medtronic s Activa DBS systems for movement disorders driven by new implant growth, and strong performance from Medtronic s conditionally safe SureScan MRI system. Medtronic received U.S. FDA approval for its conditionally safe SureScan MRI system earlier than anticipated and transitioned manufacturing in the first quarter of fiscal year 2014 to the SureScan MRI system, resulting in supply constraints which continued through early in the second fiscal quarter of 2014. Growth in sales of Medtronic s InterStim Therapy for overactive bladder, urinary retention, and bowel incontinence continued during fiscal year 2014, although at a slower rate compared to the prior fiscal year as a result of increased competition from non-device therapies.

Surgical Technologies net sales for fiscal year 2014 were $1.562 billion, an increase of 10 percent over the prior fiscal year. The increase in net sales was driven by continued worldwide net sales growth across the portfolio of ENT, Neurosurgery, and Advanced Energy, partially offset by unfavorable foreign currency translation. Growth was driven by strong sales of navigation, power systems, monitoring, Aquamantys Transcollation, PEAK PlasmaBlade technologies, and Strata adjustable valves. Additionally, net sales growth was positively impacted by the late fiscal year 2013 launches of the Trivantage EMG tube in the U.S. and Indigo high-speed otologic drill internationally.

The Restorative Therapies Group s net sales for fiscal year 2013 were $6.369 billion, an increase of 2 percent over the prior fiscal year. Foreign currency translation had an unfavorable impact on net sales of approximately $78 million when compared to the prior fiscal year. The Restorative Therapies Group s performance was a result of strong net sales in Surgical Technologies, as well as solid growth in Neuromodulation, partially offset by declines in Spine, primarily driven by BMP and BKP. The Restorative Therapies Group s performance was favorably affected by the recent launches and continued adoption of new products, strong sales of capital equipment, the acquisitions of Salient (as defined herein) and PEAK Surgical, Inc. (PEAK) in the second quarter of fiscal year 2012, and continued signs of stabilization in the U.S. Core Spine market, and negatively affected by continued pricing and competitive pressures. See the more detailed discussion of each business s performance below.

Spine net sales for fiscal year 2013 were $3.131 billion, a decrease of 4 percent over the prior fiscal year. Core Spine and BMP net sales decreased 2 percent and 15 percent, respectively, as a result of continued pricing and competitive pressures, a challenging reimbursement environment in certain of Medtronic s major markets, and unfavorable foreign currency translation. The U.S. Core Spine market showed signs of stabilization during fiscal year 2013, as supported by the flat fiscal year 2013 market and no significant changes in the underlying market conditions, including procedure trends, pricing pressure, or competitive dynamics. The net sales decline in Core Spine over the prior fiscal year was primarily driven by negative performance in BKP. Net sales in BKP declined 10 percent when compared to the prior fiscal year due to the continued decrease in demand, competitive pricing pressures, and reimbursement challenges with select payers. The decline in Core Spine from BKP was partially offset by recent launches of new products and therapies, including the second quarter launch of AMT implants, the Capstone Control, and Bryan ACD Instrument Set, as well as the continued adoption of Solera, Atlantis Vision Elite, and other biologics products. Core Spine also benefited from Medtronic s focus on enabling technologies, including the O-Arm imaging, StealthStation

surgical navigation, and Powerease powered surgical instruments. A strong contributing factor to the decline in Spine net sales was the decline in BMP net

sales over the prior fiscal year. Significant declines in U.S. sales of INFUSE bone graft have continued since the June 2011 articles in *The Spine Journal* as further described below.

Neuromodulation net sales for fiscal year 2013 were $1.812 billion, an increase of 7 percent over the prior fiscal year. The increase in net sales was primarily due to the continued U.S. adoption of RestoreSensor spinal cord stimulator, new implant growth of Activa DBS system for movement disorders, and sales of InterStim Therapy for overactive bladder, urinary retention, and bowel control. Additionally, revenue growth in Western Europe was driven by sales of the SureScan spinal cord stimulation system, approved for full-body MRI scans. Growth was partially offset by unfavorable foreign currency translation.

Surgical Technologies net sales for fiscal year 2013 were $1.426 billion, an increase of 14 percent over the prior fiscal year. The increase in net sales was driven by sales of capital equipment, including O-arm imaging and StealthStation S7 surgical navigation systems, Midas Rex powered surgical equipment, and Advanced Energy products, including the Aquamantys bipolar sealers and PEAK PlasmaBlade electrosurgical products. Additionally, net sales were positively affected by balanced growth of disposables and service revenue in Medtronic s Neurosurgery and ENT businesses. Growth was partially offset by unfavorable foreign currency translation.

Looking ahead, Medtronic expects its Restorative Therapies Group could be affected by the following:

- Changes in procedural volumes, competitive and pricing pressure, reimbursement challenges, impacts from changes in the mix of Medtronic s product offerings, and fluctuations in foreign currency.

- Market acceptance and continued adoption of innovative new products, such as Medtronic s Solera product line, Bryan ACD Instrument Set, second generation MAST MidLF set, and other biologics products, including MAGNIFUSE and GRAFTON products, and POWEREASE, a powered instrument solution for Solera.

- Market acceptance of BKP. Medtronic remains focused on communicating the clinical and economic benefits for BKP. Medtronic will continue to tailor this product offering to meet market needs and respond to competitive challenges. Medtronic anticipates additional continued pricing pressures and competitive alternatives in the U.S. and European markets. Additionally, opportunities for growth exist in vertebroplasty and other VCF treatments. Medtronic continues to evaluate global markets and specific therapies for ways to treat more patients with VCF.

- Spine sales continue to be negatively affected by the June 2011 articles in *The Spine Journal*, and by the reaction from inquiries by governmental authorities, relating to Medtronic s INFUSE bone graft product. *The Spine Journal* articles suggested that some physicians peer-reviewed studies may have underreported complications and adverse events associated with INFUSE. These articles did not question the integrity of the data provided by Medtronic to the U.S. FDA for product approval or the disclosure of safety issues on the product s Instructions for Use for approved indications. In August 2011, Medtronic provided a grant to Yale University to oversee two independent, systematic reviews of data from completed clinical studies of INFUSE bone graft, as well as data from other Medtronic studies of rhBMP-2, the protein used in INFUSE. The two systematic reviews, which were summarized in articles published in the *Annals of Internal Medicine* in June 2013, concluded, among other things, that INFUSE is an effective therapy in certain types of spine surgery, and that INFUSE entails a number of risks that should be considered by physicians and patients. Looking ahead, Medtronic expects continued scientific and

clinical research scrutiny focused on the safety and efficacy of INFUSE in real-world, clinical experience. Medtronic remains committed to the safe use of INFUSE bone graft for the approved indications, as supported by the safety data reported to the U.S. FDA.

Acceptance of Kanghui s broad portfolio of trauma, spine, and large-joint reconstruction products focused on the growing global value segment.

Adoption rates of stimulators and leads approved for full-body MRI scans to treat chronic pain in major markets around the world. Medtronic s European launch occurred in fiscal year 2013. U.S. FDA approval

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was received for the SureScan MRI system in the first quarter of fiscal year 2014 and the full launch began in the second quarter of fiscal year 2014. Medtronic also launched the SureScan MRI system in Japan in January 2014 and in Australia in the fourth quarter of fiscal year 2014.

Continued acceptance of the non-MRI pain stimulators to treat chronic pain, including RestoreSensor, which is currently available in the U.S. and certain international markets. RestoreSensor is a neurostimulator for chronic pain that automatically adjusts to the patients position changes.

Resolution of issues with the U.S. FDA relating to Medtronic s Neuromodulation business. In July 2012, Medtronic received a U.S. FDA warning letter regarding findings related primarily to Medtronic s Neuromodulation CAPA and complaint handling processes. Medtronic is currently working with the U.S. FDA to resolve the issues. This warning letter may limit Medtronic s ability to launch certain new Neuromodulation products in the U.S. until it is resolved.

Continued and future acceptance of Medtronic s current indications for Medtronic DBS Therapy for the treatment of movement disorders, epilepsy (approved in Europe), and OCD. The DBS Therapy portfolio includes Activa PC, Medtronic s small and advanced primary cell battery, and Activa RC, a rechargeable DBS device.

Continued acceptance of InterStim Therapy for the treatment of the symptoms of overactive bladder, urinary retention, and bowel incontinence. Medtronic launched InterStim Therapy for the treatment of the symptoms of bowel incontinence in Japan during the fourth quarter of fiscal year 2014.

Continued growth from Advanced Energy products and strategies to focus on its four core markets of orthopedic, spine, breast surgery, and CRDM replacements.

Continued acceptance of the Surgical Technologies StealthStation S7 and O-Arm Imaging Systems.

Continued acceptance and growth of intraoperative nerve monitoring during surgical procedures utilizing the NIM-Response 3.0 during head and neck surgical procedures. Additionally, continued growth in nerve monitoring utilizing the NIM Eclipse system during spinal surgical procedures.

Diabetes Group

The Diabetes Group products include insulin pumps, CGM systems, insulin pump consumables, and therapy management software. The Diabetes Group s net sales for fiscal year 2014 were $1.657 billion, an increase of 9 percent over the prior fiscal year. The Diabetes Group s performance was primarily the result of 8 percent growth in the U.S. compared to the prior fiscal year. Growth in the U.S. was driven by the launch of the MiniMed 530G System with Enlite Sensor. Approval was obtained late in the second quarter of fiscal year 2014. In fiscal year 2014, Medtronic recognized $23 million of revenue that was deferred in fiscal year 2013 as some customers upgraded to the MiniMed 530G System after it was released in the U.S. Net sales in the international markets increased 9 percent compared to the prior fiscal year. The Diabetes Group s performance in international markets was favorably affected by the continued adoption and use of the Veo insulin pump with low-glucose suspend and Enlite CGM sensor.

The Diabetes Group s net sales for fiscal year 2013 were $1.526 billion, an increase of 3 percent over the prior fiscal year. The increase in net sales was driven by international sales of Medtronic s Paradigm Veo insulin pump along with the Enlite CGM sensor, partially offset by a decline in insulin pump sales in the U.S. as Medtronic awaited U.S. FDA approval of MiniMed 530G and unfavorable foreign currency translation.

Looking ahead, Medtronic expects its Diabetes Group could be impacted by the following:

Potential risk of pricing pressures, reduction in reimbursement rates, and fluctuations in foreign currency.

Changes in medical reimbursement policies and programs. Continued acceptance and improved reimbursement of CGM technologies.

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Continued acceptance from both physicians and patients of insulin-pump and CGM therapy.

Continued and future growth of the MiniMed 530G System, available in the U.S., which includes the insulin pump and Enlite sensor. This is the first system in the U.S. that assists in protecting against the risk of hypoglycemia by automatically suspending insulin delivery when glucose falls below a specified threshold.

Medtronic is working with the U.S. FDA to address its questions on the Diabetes quality system, included in its September 2013 warning letter. This warning letter may limit Medtronic s ability to launch certain new diabetes products in the U.S. until it is resolved.

Acceptance and future growth from Medtronic s next-generation pump system the MiniMed 640G. In the first half of fiscal year 2015, Medtronic expects to launch the MiniMed 640G pump system in certain international markets.

Costs and Expenses

The following is a summary of major costs and expenses as a percent of net sales:

	Fiscal Year		
	2014	**2013**	**2012**
Cost of products sold	25.5%	24.9%	24.0%
Research and development expense	8.7	9.4	9.2
Selling, general, and administrative expense	34.4	34.3	34.7
Special charges	0.2		
Restructuring charges, net	0.5	1.0	0.5
Certain litigation charges, net	4.5	1.5	0.6
Acquisition-related items	0.7	(0.3)	0.1
Amortization of intangible assets	2.1	2.0	2.1
Other expense, net	1.1	0.7	2.2
Interest expense, net	0.6	0.9	0.9

Cost of Products Sold

Cost of products sold was $4.333 billion in fiscal year 2014, representing 25.5 percent of net sales, reflecting an increase of 0.6 of a percentage point from fiscal year 2013. Cost of products sold as a percent of net sales was negatively impacted primarily by unfavorable foreign currency, additional spending to address quality issues in the Neuromodulation business and Diabetes Group, and $10 million of expense recorded within cost of products sold during fiscal year 2014 related to the fiscal year 2014 restructuring initiative for inventory write-offs of discontinued product lines. The additional spending to address quality issues is expected to continue until the issues are resolved. However, Medtronic s cost of materials as a percentage of net sales was flat year-over-year for both periods. Medtronic continues to mitigate pricing pressure through its five-year, $1.2 billion cost of products sold reduction program.

Cost of products sold was $4.126 billion in fiscal year 2013, representing 24.9 percent of net sales, reflecting an increase of 0.9 of a percentage point from fiscal year 2012. Cost of products sold as a percent of net sales was negatively impacted primarily by unfavorable foreign currency, and to a lesser extent, shifts in product mix and

$10 million of expense recorded within cost of products sold during fiscal year 2013 related to the fiscal year 2013 restructuring initiative for inventory write-offs of discontinued product lines and production-related asset impairments.

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Research and Development

During fiscal year 2014, Medtronic continued to invest in new technologies to drive future growth. Research and development expense for fiscal year 2014 was $1.477 billion, representing 8.7 percent of net sales, a decrease of 0.7 of a percentage point from fiscal year 2013. The decrease for fiscal year 2014 was driven by a shift in research and development resources to investment in product support to enhance Medtronic s quality systems in the Neuromodulation business and Diabetes Group, which is expected to continue until the enhancements are complete.

Research and development expense for fiscal year 2013 was $1.557 billion, representing 9.4 percent of net sales, an increase of 0.2 of a percentage point from fiscal year 2012.

Medtronic remains committed to developing technological enhancements and new indications for existing products, and less invasive and new technologies for new and emerging markets to address unmet medical needs. That commitment leads to Medtronic s initiation and participation in many clinical trials each fiscal year as the demand for clinical and economic evidence remains high. Furthermore, Medtronic expects its development activities to help reduce patient care costs and the length of hospital stays in the future. In addition to Medtronic s investment in research and development, Medtronic continues to access new technologies in areas served by its existing businesses, as well as in new areas, through acquisitions, licensing agreements, alliances, and certain strategic equity investments.

Selling, General, and Administrative

Fiscal year 2014 selling, general, and administrative expense was $5.847 billion, representing 34.4 percent of net sales, reflecting an increase of 0.1 of a percentage point from fiscal year 2013. This increase was primarily driven by unfavorable foreign currency. Fiscal year 2013 selling, general, and, administrative expense was $5.698 billion, representing 34.3 percent of net sales, reflecting a decrease of 0.4 of a percentage point from fiscal year 2012. This decrease was driven by several initiatives focused on leveraging Medtronic s expenses.

Special Charges, Restructuring Charges, Net, Certain Litigation Charges, Net, Acquisition-Related Items, and Certain Tax Adjustments

Medtronic 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 special charges, restructuring charges, net, certain litigation charges, net, acquisition-related items, and certain tax adjustments. Special charges, restructuring charges, net, certain litigation charges, net, acquisition-related items, and certain tax adjustments recorded during fiscal years 2014, 2013, and 2012 were as follows:

	Fiscal Year		
(in millions)	**2014**	**2013**	**2012**
Special charges	$ 40	$	$
Restructuring charges, net[(1)]	88	182	87
Certain litigation charges, net	770	245	90
Acquisition-related items	117	(49)	12
Total special charges, restructuring charges, net, certain litigation charges, net, and acquisition-related items	1,015	378	189
	(212)	(47)	(56)

Net tax impact of special charges, restructuring charges, net, certain litigation charges, net, acquisition-related items, and certain tax adjustments[1]			
Total special charges, restructuring charges, net, certain litigation charges, net, acquisition-related items, and certain tax adjustments, net of tax[1]	$ 803	$ 331	$ 133

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(1) For fiscal years 2014 and 2013, restructuring charges, net and the related tax impact within this table include the impact of amounts recorded within *cost of products sold* in the consolidated statements of earnings related to the fiscal year 2014 initiative and fiscal year 2013 initiative, respectively.

Special Charges

During fiscal year 2014, consistent with the Medtronic s commitment to improving the health of people and communities throughout the world, Medtronic made a $40 million charitable contribution to the Medtronic Foundation, which is a related party non-profit organization.

During fiscal years 2013 and 2012, there were no special charges.

Restructuring Charges, Net

Fiscal Year 2014 Initiative

In the fourth quarter of fiscal year 2014, Medtronic recorded a $116 million restructuring charge, which consisted of employee termination costs of $65 million, asset write-downs of $26 million, contract termination costs of $3 million, and other related costs of $22 million. Of the $26 million of asset write-downs, $10 million related to inventory write-offs of discontinued product lines and production-related asset impairments, and therefore, was recorded within *cost of products sold* in the consolidated statements of earnings. The fiscal year 2014 initiative primarily relates to Medtronic s renal denervation business, certain manufacturing shut-downs, and a reduction of back-office support functions in Europe.

As of the end of the fourth quarter of fiscal year 2014, Medtronic identified approximately 600 positions for elimination to be achieved primarily through involuntary separation. The fiscal year 2014 initiative is scheduled to be substantially complete by the end of the fourth quarter of fiscal year 2015 and is expected to produce annualized operating savings of approximately $60 to $75 million. These savings will arise mostly from reduced compensation expense. In the first quarter of fiscal year 2015, Medtronic expects to incur an additional restructuring charge of $25 to $40 million, primarily related to contract termination fees.

Fiscal Year 2013 Initiative

The fiscal year 2013 initiative was designed to scale back Medtronic s infrastructure in slower growing areas of Medtronic s business, while continuing to invest in geographies, businesses, and products where Medtronic anticipates faster growth. A number of factors have contributed to ongoing challenging market dynamics, including increased pricing pressure, various governmental austerity measures, and the U.S. medical device excise tax. In the fourth quarter of fiscal year 2013, Medtronic recorded a $192 million restructuring charge, which consisted of employee termination costs of $150 million, asset write-downs of $13 million, contract termination costs of $18 million, and other related costs of $11 million. Of the $13 million of asset write-downs, $10 million related to inventory write-offs of discontinued product lines and production-related asset impairments, and therefore, was recorded within *cost of products sold* in the consolidated statements of earnings. In the first quarter of fiscal year 2014, Medtronic recorded an $18 million restructuring charge, which was the final charge related to the fiscal year 2013 initiative and consisted primarily of contract termination costs of $14 million and other related costs of $4 million.

As of the end of the fourth quarter of fiscal year 2013, Medtronic identified approximately 2,000 positions for elimination to be achieved through involuntary and voluntary separation.

In fiscal year 2014, Medtronic recorded a $46 million reversal of excess restructuring reserves related to the fiscal year 2013 initiative. The reversal was primarily a result of revisions to particular strategies and certain employees identified for elimination finding other positions within Medtronic.

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As a result of certain legal requirements outside the U.S., the fiscal year 2013 initiative is scheduled to be substantially complete by the end of the third quarter of fiscal year 2016.

Fiscal Year 2012 Initiative

In the fourth quarter of fiscal year 2012, Medtronic recorded a $118 million restructuring charge, which consisted of employee termination costs of $66 million, asset write-downs of $9 million, contract termination costs of $30 million, and other related costs of $13 million. The fiscal year 2012 initiative was designed to reduce general, administrative, and indirect distribution costs in certain organizations within Medtronic while prioritizing investment in research and development, and sales and marketing in those organizations within Medtronic where faster growth is anticipated, such as emerging markets and new technologies.

As of the end of the fourth quarter of fiscal year 2012, Medtronic identified approximately 1,000 positions for elimination to be achieved through involuntary and voluntary separation. As of April 26, 2013, the fiscal year 2012 initiative was substantially complete.

In the fourth quarter of fiscal year 2013, Medtronic recorded a $10 million reversal of excess restructuring reserves related to the fiscal year 2012 initiative. This reversal was primarily a result of revisions to particular strategies and certain employees identified for elimination finding other positions within Medtronic.

For additional information, see Note 3 to Medtronic s consolidated audited financial statements beginning on page F-58 of this joint proxy statement/prospectus.

Certain Litigation Charges, Net

Medtronic classifies material litigation charges and gains recognized as certain litigation charges, net.

During fiscal year 2014, Medtronic recorded certain litigation charges, net of $770 million, which primarily includes the global patent settlement agreement with Edwards of $589 million, accounting charges for probable and reasonably estimable INFUSE product liability litigation of $140 million, and other litigation. See Note 18 to Medtronic s consolidated audited financial statements beginning on page F-110 of this joint proxy statement/prospectus for additional information.

During fiscal year 2013, Medtronic recorded certain litigation charges, net of $245 million related to probable and reasonably estimated damages resulting from patent litigation with Edwards. See Note 18 to Medtronic s consolidated audited financial statements beginning on page F-110 of this joint proxy statement/prospectus for additional information.

During fiscal year 2012, Medtronic recorded certain litigation charges, net of $90 million related to the agreement to settle the federal securities class action initiated in December 2008 by the Minneapolis Firefighters Relief Association. During the fourth quarter of fiscal year 2012, Medtronic settled all of these class claims for $85 million and incurred $5 million in additional litigation fees.

Acquisition-Related Items

During fiscal year 2014, Medtronic recorded net charges from acquisition-related items of $117 million, primarily including IPR&D and long-lived asset impairment charges of $236 million related to the Ardian acquisition and income of $(138) million related to the change in fair value of contingent consideration associated with acquisitions

subsequent to April 29, 2009. The Ardian impairment resulted from Medtronic s January 2014 announcement that the U.S. pivotal trial in renal denervation for treatment-resistant hypertension, Symplicity HTN-3, failed to meet its primary efficacy endpoint. Based on the results of the trial, Medtronic suspended enrollment of its renal denervation hypertension trials that were being conducted in the U.S., Japan,

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and India. These impairment charges consisted of $192 million related to IPR&D and $44 million related to other long-lived assets. For additional information regarding these impairment assessments, refer to Note 6 to Medtronic s consolidated audited financial statements beginning on page F-70 of this joint proxy statement/prospectus. The change in fair value of contingent consideration primarily related to adjustments for Ardian, which are based on annual revenue growth through fiscal year 2015. As there is no projected revenue growth through fiscal year 2015, no contingent consideration remained as of April 25, 2014.

During fiscal year 2013, Medtronic recorded net income from acquisition-related items of $49 million, primarily including income of $62 million related to the change in fair value of contingent consideration associated with acquisitions subsequent to April 29, 2009. The change in fair value of contingent consideration primarily related to the reduction in fair value of contingent consideration associated with Ardian due to a slower commercial ramp in Europe. Additionally, Medtronic recorded transaction-related expenses of $13 million.

During fiscal year 2012, Medtronic recorded net charges from acquisition-related items of $12 million, primarily including $45 million of charges related to the change in fair value of contingent consideration associated with acquisitions subsequent to April 29, 2009. In connection with the acquisitions of Salient and PEAK, Medtronic recognized gains of $32 million and $6 million, respectively, on Medtronic s previously-held investments.

See Note 4 to Medtronic s consolidated audited financial statements beginning on page F-61 of this joint proxy statement/prospectus for further discussion on IPR&D charges.

Medtronic is responsible for the valuation of IPR&D charges. The values assigned to IPR&D are based on valuations that have been prepared using methodologies and valuation techniques consistent with those used by independent appraisers. All values were determined by identifying research projects in areas for which technological feasibility had not been established. Additionally, the values were determined by estimating the revenue and expenses associated with a project s sales cycle and the amount of after-tax cash flows attributable to these projects. The future cash flows were discounted to present value utilizing an appropriate risk-adjusted rate of return. The rate of return included a factor that takes into account the uncertainty surrounding the successful development of the IPR&D.

At the time of acquisition, Medtronic expects that all acquired IPR&D will reach technological feasibility, but there can be no assurance that the commercial viability of these products will actually be achieved. The nature of the efforts to develop the acquired technologies into commercially viable products consists principally of planning, designing, and conducting clinical trials necessary to obtain regulatory approvals. The risks associated with achieving commercialization include, but are not limited to, delay or failure to obtain regulatory approvals to conduct clinical trials, delay or failure to obtain required market clearances, or delays or issues with patent issuance, or validity and litigation. If commercial viability were not achieved, Medtronic would likely look to other alternatives to provide these therapies.

See the Acquisitions section of this management s discussion and analysis for detailed discussion of each material acquisition in fiscal years 2014, 2013, and 2012.

Certain Tax Adjustments

In fiscal year 2014, Medtronic recorded a $63 million certain tax benefit associated with the resolution of certain issues in the fourth quarter of fiscal year 2014 with the IRS relating to their review of Medtronic s fiscal year 2009 through 2011 domestic income tax returns. The $63 million certain tax benefit was recorded in the provision for income taxes in the consolidated statement of earnings for fiscal year 2014.

In fiscal years 2013 and 2012, there were no certain tax adjustments.

See the Income Taxes section of this management s discussion and analysis for further discussion of the certain tax adjustments.

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Amortization of Intangible Assets

Amortization of intangible assets includes the amortization expense of Medtronic s definite-lived intangible assets consisting of purchased patents, trademarks, trade names, purchased technology, and other intangible assets. In fiscal year 2014, amortization expense was $349 million as compared to $331 million in fiscal year 2013. The $18 million increase in amortization expense for fiscal year 2014 was primarily due to the third quarter fiscal year 2013 acquisition of Kanghui and the second quarter fiscal year 2014 acquisition of Cardiocom, partially offset by reduced ongoing amortization expense from certain intangible assets that became fully amortized.

In fiscal year 2013, amortization expense was $331 million, a decrease of $4 million from $335 million in fiscal year 2012. The decrease was primarily due to certain intangible assets that became fully amortized and life extension of certain patents, thereby reducing ongoing amortization expense, partially offset by amortization expense related to the third quarter fiscal year 2013 acquisition of Kanghui and the second quarter fiscal year 2012 acquisitions of Salient and PEAK.

Other Expense, Net

Other expense, net includes royalty income and expense, realized equity security gains and losses, realized foreign currency transaction and derivative gains and losses, impairment charges on equity securities, the Puerto Rico excise tax, and the U.S. medical device excise tax. In fiscal year 2014, other expense, net was $181 million, an increase of $73 million from $108 million in the prior fiscal year. The increase was primarily due to the full year impact of the U.S. medical device excise tax that went into effect January 1, 2013, partially offset by net realized foreign currency gains. In addition, the increase for fiscal year 2014 was partially offset by income from a license related to Medtronic s Endovascular business. The U.S. medical device excise tax for fiscal year 2014 was $112 million compared to $21 million in the prior fiscal year. Total net realized foreign currency gains recorded in other expense, net were $43 million in fiscal year 2014 compared to gains of $27 million in the prior fiscal year.

In fiscal year 2013, other expense, net was $108 million, a decrease of $256 million from $364 million in the prior fiscal year. The decrease was primarily due to the impact of foreign currency gains and losses. Total foreign currency gains recorded in fiscal year 2013 were $27 million compared to losses of $195 million in the prior fiscal year. In addition, the realized gains on certain available-for-sale marketable equity securities increased compared to the prior fiscal year, which were substantially offset by the U.S. medical device excise tax of $21 million that went into effect January 1, 2013.

Interest Expense, Net

Interest expense, net includes interest earned on Medtronic s cash, cash equivalents and investments, interest incurred on Medtronic s outstanding borrowings, amortization of debt issuance costs and debt discounts, the net realized and unrealized gain or loss on trading securities, ineffectiveness on interest rate derivative instruments, and the net realized gain or loss on the sale or impairment of available-for-sale debt securities. In fiscal year 2014, interest expense, net was $108 million, as compared to $151 million in fiscal year 2013. For fiscal year 2014, the decrease in interest expense, net was the result of decreased interest expense due to reduced amortization of debt discount as a result of the April 2013 repayment of $2.200 billion of Senior Convertible Notes, partially offset by increased debt. The decrease in interest expense, net during fiscal year 2014 was also due to increased interest income earned on higher investment balances, as compared to fiscal year 2013.

In fiscal year 2013, interest expense, net was $151 million, as compared to $149 million in fiscal year 2012. For fiscal year 2013, interest expense, net remained consistent with fiscal year 2012. Compared to fiscal year 2012, increased

interest income from higher investment balances and increased realized gains on sales of available-for-sale debt securities were offset by increased interest expense from higher average outstanding long-term debt.

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See Medtronic s discussion in the *Liquidity and Capital Resources* section of this management s discussion and analysis for more information regarding Medtronic s investment portfolio.

Income Taxes

(dollars in millions)	Fiscal Year 2014	2013	2012	Percentage Point Increase/(Decrease) FY14/13	FY13/12
Provision for income taxes	$ 640	$ 784	$ 730	N/A	N/A
Effective tax rate	17.3%	18.4%	17.6%	(1.1)	0.8
Net tax impact of special charges, restructuring charges, net, certain litigation charges, net, acquisition-related items, and certain tax adjustments	0.7	(0.5)	0.5	1.2	(1.0)
Non-GAAP nominal tax rate[(1)]	18.0%	17.9%	18.1%	0.1	(0.2)

(1) Non-GAAP nominal tax rate is defined as the income tax provision as a percentage of earnings before income taxes, excluding special charges, restructuring charges, net, certain litigation charges, net, acquisition-related items, and certain tax adjustments. Medtronic believes that the resulting non-GAAP financial measure provides useful information to investors because it excludes the effect of these discrete items so that investors can compare Medtronic s recurring results over multiple periods. 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 s effective tax rate from continuing operations of 17.3 percent decreased by 1.1 percentage points from fiscal year 2013 to fiscal year 2014. The decrease in Medtronic s effective tax rate was primarily due to the tax impact of special charges, restructuring charges, net, certain litigation charges, net, acquisition-related items, the certain tax adjustments recorded during fiscal year 2014, and other factors impacting Medtronic s non-GAAP nominal rate as discussed below.

Medtronic s non-GAAP nominal tax rate for fiscal year 2014 was 18.0 percent compared to 17.9 percent in the prior fiscal year. The increase in Medtronic s non-GAAP nominal tax rate for fiscal year 2014 as compared to the prior fiscal year was primarily due to the impact of the extension of the U.S. federal research and development tax credit on January 2, 2013 for calendar years 2012 and 2013 and the expiration of such extension on December 31, 2013, the finalization of certain income tax returns, changes to uncertain tax position reserves, the restoration of tax basis on certain assets for which depreciation and amortization deductions were previously limited, the tax impact of foreign dividend distributions, and year-over-year changes in operational results by jurisdiction.

During fiscal year 2014, Medtronic recorded $42 million in operational tax benefits. This included a $23 million benefit associated with the restoration of tax basis on certain assets for which depreciation and amortization deductions were previously limited and a $19 million net benefit associated with the resolution of certain foreign and state income tax audits, finalization of certain tax returns, and changes to uncertain tax position reserves.

The fiscal year 2013 effective tax rate from continuing operations of 18.4 percent increased by 0.8 of a percentage point from the prior fiscal year. The increase in Medtronic s effective tax rate was due to the net tax impact of restructuring charges, net, acquisition-related items, certain litigation charges, net, and the impact of operational tax benefits described below. Medtronic s non-GAAP nominal tax rate for fiscal year 2013 was 17.9 percent compared to 18.1 percent in the prior fiscal year. The decrease in Medtronic s non-GAAP nominal tax rate for fiscal year 2013 as compared to the prior fiscal year was primarily due to the impact of operational tax benefits.

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During fiscal year 2013, Medtronic recorded $72 million in operational tax benefits. This included a $30 million net benefit associated with the resolution of U.S. federal, state, and foreign income tax audits, finalization of certain tax returns, and changes to uncertain tax position reserves. As a result of the retroactive renewal and extension of the U.S. federal research and development tax credit, a $12 million benefit was also recorded as an operational tax benefit during fiscal year 2013. In addition, Medtronic recorded a $24 million benefit associated with foreign dividend distributions and a $6 million benefit associated with the release of a valuation allowance associated with the usage of a capital loss carryover.

Tax audits associated with the allocation of income, and other complex issues, may require an extended period of time to resolve and may result in income tax adjustments if changes to Medtronic s allocation are required between jurisdictions with different tax rates. Tax authorities periodically review Medtronic s tax returns and propose adjustments to Medtronic s tax filings. The IRS has settled its audits with Medtronic for all years through fiscal year 2004. Tax years settled with the IRS may remain open for foreign tax audits and competent authority proceedings. Competent authority proceedings are a means to resolve intercompany pricing disagreements between countries. The major foreign jurisdictions where Medtronic conducts business have generally concluded all material tax matters through fiscal year 2004. In addition, substantially all material state and local tax matters have been concluded through fiscal year 2004.

In March 2009, the IRS issued its audit report for fiscal years 2005 and 2006. Medtronic reached agreement with the IRS on some but not all matters related to these fiscal years. On December 23, 2010, the IRS issued a statutory notice of deficiency with respect to the remaining issues. Medtronic filed a Petition with the U.S. Tax Court on March 21, 2011 objecting to the deficiency. During October and November 2012, Medtronic reached resolution with the IRS on various matters, including the deductibility of a settlement payment. The remaining unresolved issues relate to the allocation of income between Medtronic, Inc. and its wholly-owned subsidiary operating in Puerto Rico, which is one of Medtronic s key manufacturing sites.

In October 2011, the IRS issued its audit report for fiscal years 2007 and 2008. Medtronic reached agreement with the IRS on some but not all matters related to these fiscal years. The significant issues that remain unresolved relate to the allocation of income between Medtronic, Inc. and its wholly-owned subsidiary operating in Puerto Rico, and proposed adjustments associated with the tax effects of Medtronic s acquisition of Kyphon Inc. (Kyphon). Associated with the Kyphon acquisition, Medtronic entered into an intercompany transaction whereby the Kyphon U.S. tangible assets were sold to another wholly-owned Medtronic subsidiary in a taxable transaction. The IRS has disagreed with Medtronic s valuation of these assets and proposed that all U.S. goodwill, the value of the ongoing business, and the value of the workforce in place related to the Kyphon acquisition be included in the tangible asset sale. Medtronic disagrees that these items were sold, as well as with the IRS valuation of these items. The IRS continues to evaluate the overall transaction that Medtronic entered into and because a foreign subsidiary acquired part of Kyphon directly from the Kyphon shareholders, the IRS has argued that a deemed taxable event occurred. Medtronic disagrees with the IRS and are currently attempting to resolve these matters at the IRS Appellate level and will proceed through litigation, if necessary.

In April 2014, the IRS issued its audit report for fiscal years 2009, 2010, and 2011. Medtronic reached agreement with the IRS on some but not all matters related to these fiscal years. The significant issues that remain unresolved relate to the allocation of income between Medtronic, Inc. and its wholly-owned subsidiary operating in Puerto Rico, and proposed adjustments associated with the tax effects of Medtronic s acquisition structures for Ardian, CoreValve, Inc., and Ablation Frontiers, Inc. The IRS s positions are similar to those presented in the Kyphon proposed adjustments. Medtronic disagrees with the IRS and will attempt to resolve these matters at the IRS Appellate level, however, Medtronic will proceed through litigation, if necessary.

Medtronic s reserves for uncertain tax positions relate to unresolved matters with the IRS and other taxing authorities. These reserves are subject to a high degree of estimation and management judgment. Resolution of these significant unresolved matters, or positions taken by the IRS or foreign tax authorities during future tax audits, could have a material impact on Medtronic s financial results in future periods. Medtronic continues to

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believe that Medtronic s reserves for uncertain tax positions are appropriate and that Medtronic has meritorious defenses for its tax filings and will vigorously defend them during the audit process, appellate process, and through litigation in courts, as necessary.

See Note 13 to Medtronic s consolidated audited financial statements beginning on page F-92 of this joint proxy statement/prospectus for additional information.

Liquidity and Capital Resources

(dollars in millions)	July 25, 2014	April 25, 2014
Working capital	$ 15,337	$ 15,651
Current ratio[1]	3.8:1.0	3.8:1.0
Cash, cash equivalents, and current investments	$ 13,962	$ 14,241
Short-term borrowings and long-term debt	12,800	11,928
Net cash position[2]	$ 1,162	$ 2,313

(1) Current ratio is the ratio of current assets to current liabilities.
(2) Net cash position is the sum of cash, cash equivalents, current investments, less short-term borrowings and long-term debt and excludes non-current investments in debt, marketable equity, and trading securities.

As of July 25, 2014, Medtronic believes its strong balance sheet and liquidity provide it with flexibility in the future. Medtronic believes its existing cash and investments, as well as its $2.250 billion syndicated credit facility and related commercial paper program ($830 million of commercial paper outstanding as of July 25, 2014), will satisfy Medtronic s foreseeable working capital requirements for at least the next 12 months. However, Medtronic periodically considers various financing alternatives and may, from time to time, seek to take advantage of favorable interest rate environments or other market conditions. Medtronic also generally expects to refinance current maturities of long-term debt. See Note 8 to the consolidated unaudited financial statements for the period ended July 25, 2014 beginning on page F-21 of this joint proxy statement/prospectus for more information. At July 25, 2014, Medtronic s Moody s ratings remain unchanged as compared to those ratings at April 25, 2014 with a long-term debt rating of A2 and short-term debt rating of P-1. On December 13, 2013, S&P Ratings Services raised Medtronic s long-term debt rating to AA-, compared to A+ at April 26, 2013. This upgrade reflects S&P Ratings Services reassessment of Medtronic s financial risk profile given its cash balances and sizable liquid investment portfolio. S&P Ratings Services short-term debt rating remain unchanged at AA- and A-1+, respectively, as compared to the rating at April 25, 2014 and April 26, 2013.

Subsequent to Medtronic s announcement regarding its planned $42.9 billion acquisition of Covidien, on June 16, 2014, S&P Ratings Services placed Medtronic s long-term debt rating of AA- on CreditWatch, reflecting its expectation of a potential future one- or two- notch downgrade, as a result of the anticipated increase in net leverage, if the transaction is consummated. S&P Ratings Services also noted that they expect to lower Medtronic s short-term debt rating from A-1+ to A-1 if the transaction goes through as expected. Medtronic does not expect this CreditWatch to have a significant impact on its liquidity or future flexibility to access additional liquidity given Medtronic s strong balance sheet, Medtronic s syndicated credit facility and related commercial paper program discussed above and within the Debt and Capital section of this management s discussion and analysis, and the subsequent Credit

Agreements entered into in June 2014. See Note 21 and 22 to Medtronic s consolidated audited financial statements beginning on page F-116 of this joint proxy statement/prospectus for additional information regarding Medtronic s planned acquisition of Covidien and related Credit Agreements.

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Medtronic s net cash position as of July 25, 2014 decreased by $1,151 million as compared to April 25, 2014. See the Summary of Cash Flows section of this management s discussion and analysis for further information. The decrease was primarily related to the $750 million settlement payment made to Edwards on May 23, 2014.

Medtronic has future contractual obligations and other minimum commercial commitments that are entered into in the normal course of business. Medtronic believes its off-balance sheet arrangements do not have a material current or anticipated future effect on Medtronic s consolidated earnings, financial position, or cash flows. See the Off-Balance Sheet Arrangements and Long-Term Contractual Obligations section of this management s discussion and analysis for further information.

Note 18 to Medtronic s consolidated audited financial statements beginning on page F-110 of this joint proxy statement/prospectus and Note 19 to Medtronic s consolidated unaudited financial statements for the period ended July 25, 2014 beginning on page F-35 of this joint proxy statement/prospectus provides information regarding amounts Medtronic has accrued related to significant legal proceedings. In accordance with U.S. GAAP, Medtronic records a liability in Medtronic s consolidated financial statements for these actions when a loss is known or considered probable and the amount can be reasonably estimated. For the fiscal year ended April 25, 2014, Medtronic has made payments related to certain legal proceedings. For information regarding these charges, please see the Special Charges, Restructuring Charges, Net, Certain Litigation Charges, Net, Acquisition-Related Items, and Certain Tax Adjustments section of this management s discussion and analysis.

A significant amount of Medtronic s earnings occur outside the U.S., and are indefinitely reinvested in non-U.S. subsidiaries, resulting in a majority of Medtronic s cash, cash equivalents, and investments being held by non-U.S. subsidiaries. As of July 25, 2014, April 25, 2014 and April 26, 2013, approximately $13.914 billion, $13.968 billion and $10.930 billion, respectively, of cash, cash equivalents, and investments in marketable debt and equity securities were held by Medtronic s non-U.S. subsidiaries. These funds are available for use by Medtronic s non-U.S. operations. Medtronic continues to be focused on goals to grow its business through increased globalization of Medtronic, as demonstrated by the recent acquisition of Kanghui in China, as emerging markets continue to be a significant driver of potential growth. However, if these funds were repatriated to the U.S. or used for U.S. operations, the amounts would generally be subject to U.S. tax. As a result, Medtronic continues to accumulate earnings in non-U.S. subsidiaries for investment in operations outside the U.S. and to use cash generated from U.S. operations as well as short- and long-term borrowings to meet Medtronic s U.S. cash needs. Should Medtronic require more in the U.S. than is generated by its U.S. operations, Medtronic could elect to repatriate these funds from Medtronic s non-U.S. subsidiaries or raise additional capital in the U.S. through debt or equity issuances. These alternatives could result in higher effective tax rates, increased interest expense, or other dilution of Medtronic s earnings.

Medtronic has investments in marketable debt securities that are classified and accounted for as available-for-sale. Medtronic s debt securities include U.S. government and agency securities, foreign government and agency securities, corporate debt securities, certificates of deposit, mortgage-backed securities, other asset-backed securities, debt funds, and auction rate securities. Some of Medtronic s investments may experience reduced liquidity due to changes in market conditions and investor demand. Medtronic s auction rate security holdings have experienced reduced liquidity in recent years due to low investor demand. Although Medtronic s auction rate securities are currently illiquid and other securities could become illiquid, Medtronic believes it could liquidate a substantial amount of its portfolio without incurring a material impairment loss.

For the three months ended July 25, 2014 and the fiscal year ended April 25, 2014, the total other-than-temporary impairment losses on available-for-sale debt securities were not significant. Based on Medtronic s assessment of the credit quality of the underlying collateral and credit support available to each of the remaining securities in which Medtronic is invested, Medtronic believes it has recorded all necessary other-than-temporary impairments as it does

not have the intent to sell, nor is it more likely than not that Medtronic will be required to

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sell, before recovery of the amortized cost. However, as of July 25, 2014, Medtronic has $58 million of gross unrealized losses on its aggregate short-term and long-term available-for-sale debt securities of $12.703 billion; if market conditions deteriorate, some of these holdings may experience other-than-temporary impairment in the future which could have a material impact on Medtronic s financial results. Management is required to use estimates and assumptions in its valuation of Medtronic s investments, which requires a high degree of judgment, and therefore, actual results could differ materially from those estimates. See Note 6 to Medtronic s consolidated audited financial statements beginning on page F-70 of this joint proxy statement/prospectus and Note 7 to the consolidated unaudited financial statements for the period ended July 25, 2014 beginning on page F-16 of this joint proxy statement/prospectus for additional information regarding fair value measurements.

Summary of Cash Flows for Periods Ended July 25, 2014 and July 26, 2013

	Three months ended	
(in millions)	**July 25, 2014**	**July 26, 2013**
Cash provided by (used in):		
Operating activities	$ 310	$ 983
Investing activities	(6)	(666)
Financing activities	(355)	(422)
Effect of exchange rate changes on cash and cash equivalents	(16)	14
Net change in cash and cash equivalents	$ (67)	$ (91)

Operating Activities

Medtronic s net cash provided by operating activities was $310 million for the three months ended July 25, 2014 compared to $983 million for the three months ended July 26, 2013. The $673 million decrease in net cash provided by operating activities was primarily attributable to the $750 million settlement payment made to Edwards on May 23, 2014.

Investing Activities

Medtronic s net cash used in investing activities was $6 million for the three months ended July 25, 2014 compared to $666 million for the three months ended July 26, 2013. The $660 million decrease in net cash used in investing activities during the three months ended July 25, 2014 was primarily attributable to decreased net purchases of marketable securities compared to the same period in the prior fiscal year.

Financing Activities

Medtronic s net cash used in financing activities was $355 million for the three months ended July 25, 2014 compared to $422 million for the three months ended July 26, 2013. The $67 million decrease in net cash used in financing activities was primarily attributable to lower levels of common stock issuances under employee stock purchase and award plans partially offset by a slightly lower amount of common stock repurchases compared to the same period in the prior year.

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Summary of Cash Flows for the Fiscal Years Ended April 25, 2014, April 26, 2013 and April 27, 2012

	Fiscal Year		
(in millions)	**2014**	**2013**	**2012**
Cash provided by (used in):			
Operating activities	$ 4,959	$ 4,942	$ 4,470
Investing activities	(3,594)	(3,101)	(2,662)
Financing activities	(918)	(2,101)	(1,882)
Effect of exchange rate changes on cash and cash equivalents	37	7	(71)
Net change in cash and cash equivalents	$ 484	$ (253)	$ (145)

Operating Activities

Medtronic s net cash provided by operating activities was $4.959 billion, increasing $17 million for the fiscal year ended April 25, 2014 compared to $4.942 billion for the prior year.

Medtronic s net cash provided by operating activities was $4.942 billion for the fiscal year ended April 26, 2013 compared to $4.470 billion for the fiscal year ended April 27, 2012. The $472 million increase in net cash provided by operating activities was primarily attributable to an increase in accounts receivable collections, primarily in certain Southern European countries, and a decrease in inventories, partially offset by a decrease in accrued income taxes due to the timing of certain tax payments during fiscal year 2013 as compared to the prior fiscal year.

Investing Activities

Medtronic s net cash used in investing activities was $3.594 billion for the fiscal year ended April 25, 2014 compared to $3.101 billion for the prior year. The $493 million increase in net cash used in investing activities was primarily attributable to increased net purchases of marketable securities compared to the prior fiscal year partially offset by higher levels of cash used in the prior year for acquisitions, primarily related to Kanghui.

Medtronic s net cash used in investing activities was $3.101 billion for the fiscal year ended April 26, 2013 compared to $2.662 billion for the prior year. The $439 million increase in cash used in investing activities was primarily attributable to an increase in cash used for acquisitions in comparison to the prior fiscal year and the proceeds from divestiture of Physio-Control in fiscal year 2012, partially offset by a decrease in net purchases and sales and maturities of marketable securities.

Financing Activities

Medtronic had net cash used in financing activities of $918 million for the fiscal year ended April 25, 2014 compared to $2.101 billion for the prior year. The $1.183 billion decrease in cash used in financing activities primarily resulted from a $1.457 billion decrease in net payments in excess of issuances on long-term debt and short-term borrowings, partially offset by a $266 million increase in common stock repurchases net of issuances compared to the prior fiscal year.

Medtronic had net cash used in financing activities of $2.101 billion for the fiscal year ended April 26, 2013 compared to $1.882 billion for the prior fiscal year. The $219 million increase in cash used in financing activities primarily

resulted from a $627 million decrease in net borrowings (long-term debt issuances and short-term borrowings in excess of payments), partially offset by higher levels of common stock issuances under employee stock purchase and award plans and a $159 million net decrease in cash returned to shareholders in the form of dividends and common stock repurchases compared to the prior fiscal year.

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Off-Balance Sheet Arrangements and Long-Term Contractual Obligations

Medtronic acquires assets still in development, enters into research and development arrangements, and sponsors certain clinical trials that often require milestone and/or royalty payments to a third-party, contingent upon the occurrence of certain future events. Milestone payments may be required contingent upon the successful achievement of an important point in the development life cycle of a product or upon certain pre-designated levels of achievement in clinical trials. In addition, if required by the arrangement, Medtronic may have to make royalty payments based on a percentage of sales related to the product under development or in the event that regulatory approval for marketing is obtained. In situations where Medtronic has no ability to influence the achievement of the milestone or otherwise avoid the payment, Medtronic has included those milestone or minimum royalty payments in the following table. However, the majority of these arrangements give Medtronic the discretion to unilaterally make the decision to stop development of a product or cease progress of a clinical trial, which would allow Medtronic to avoid making the contingent payments. Although Medtronic is unlikely to cease development if a device successfully achieves clinical testing objectives, these payments are not included in the table of contractual obligations because of the contingent nature of these payments and Medtronic s ability to avoid them if Medtronic decided to pursue a different path of development or testing. See Note 4 to Medtronic s consolidated audited financial statements beginning on page F-61 of this joint proxy statement/prospectus and see Note 3 to the consolidated unaudited financial statements for the period ended July 25, 2014 beginning on page F-7 of this joint proxy statement/prospectus for additional information regarding contingent consideration.

In the normal course of business, Medtronic periodically enters into agreements that require it to indemnify customers or suppliers for specific risks, such as claims for injury or property damage arising out of Medtronic s products or the negligence of Medtronic s personnel or claims alleging that its products infringe third-party patents or other intellectual property. Medtronic s maximum exposure under these indemnification provisions cannot be estimated, and Medtronic has not accrued any liabilities within Medtronic s consolidated financial statements or included any indemnification provisions in Medtronic s commitments table. Historically, Medtronic has not experienced significant losses on these types of indemnification obligations.

Medtronic believes its off-balance sheet arrangements do not have a material current or anticipated future effect on Medtronic s consolidated earnings, financial position, or cash flows. Presented below is a summary of contractual obligations and other minimum commercial commitments as of July 25, 2014. See Note 8 and 15 to Medtronic s consolidated audited financial statements beginning on pages F-78 and F-108 of this joint proxy statement/prospectus and Note 8 to the consolidated unaudited financial statements for the period ended July 25, 2014 beginning on page F-21 of this joint proxy statement/prospectus for additional information regarding long-term debt and lease obligations, respectively. Additionally, see Note 13 to Medtronic s consolidated audited financial statements beginning on page F-92 of this joint proxy statement/prospectus and Note 14 to the consolidated unaudited financial statements for the period ended July 25, 2014 beginning on page F-32 of this joint proxy statement/prospectus for additional information regarding accrued income tax obligations, which are not reflected in the table below.

		Maturity by Fiscal Year					
(in millions)	Total	Remaining 2015	2016	2017	2018	2019	Thereafter
Contractual obligations related to off-balance sheet arrangements:							
Operating leases[1]	$ 276	$ 91	$ 80	$ 46	$ 22	$ 12	$ 25
Inventory purchases[2]	171	102	57	6			6

Commitments to fund minority investments/contingent acquisition consideration[3]	550	68	53	151	41	40	197
Interest payments[4]	5,019	404	350	320	324	311	3,310
Other[5]	183	52	37	20	9	3	62
Total	$ 6,199	$ 717	$ 577	$ 543	$ 396	$ 366	$ 3,600

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		Maturity by Fiscal Year					
(in millions)	Total	Remaining 2015	2016	2017	2018	2019	Thereafter
Contractual obligations reflected in the balance sheet:							
Long-term debt, including current portion[6]	$ 11,375	$ 1,250	$ 1,100	$ 500	$ 1,000	$ 400	$ 7,125
Capital leases	151	12	12	31	18	19	59
Total	$ 11,526	$ 1,262	$ 1,112	$ 531	$ 1,018	$ 419	$ 7,184

(1) Certain leases require Medtronic to pay real estate taxes, insurance, maintenance, and other operating expenses associated with the leased premises. These future costs are not included in the schedule above.

(2) Medtronic has included inventory purchase commitments which are legally binding and specify minimum purchase quantities. These purchase commitments do not exceed Medtronic s projected requirements and are in the normal course of business. These commitments do not include open purchase orders.

(3) Certain commitments related to the funding of cost or equity method investments and/or previous acquisitions are contingent upon the achievement of certain product-related milestones and various other favorable operational conditions, and estimated royalty obligations. While it is not certain if and/or when these payments will be made, the maturity dates included in this table reflect Medtronic s best estimates.

(4) Interest payments in the table above reflect the contractual interest payments on Medtronic s outstanding debt, and exclude the impact of the debt discount amortization and impact of interest rate swap agreements. See Note 8 to Medtronic s consolidated audited financial statements beginning on page F-78 of this joint proxy statement/prospectus and Note 8 to Medtronic s consolidated unaudited financial statements for the period ended July 25, 2014 beginning on page F-21 of this joint proxy statement/prospectus for additional information regarding Medtronic s debt agreements.

(5) These obligations include certain research and development arrangements.

(6) Long-term debt in the table above includes the $2.000 billion of 2014 Senior Notes, $3.000 billion of 2013 Senior Notes, $1.075 billion of 2012 Senior Notes, $1.000 billion of 2011 Senior Notes, $3.000 billion of 2010 Senior Notes, $700 million of 2009 Senior Notes, and $600 million of 2005 Senior Notes. The table above excludes the debt discount, the fair value impact of outstanding interest rate swap agreements, and the unamortized gains from terminated interest rate swap agreements. See Notes 8 and 9 to Medtronic s consolidated audited financial statements beginning on pages F-78 and F-80 of this joint proxy statement/prospectus and Notes 8 and 9 to Medtronic s consolidated unaudited financial statements for the period ended July 25, 2014 beginning on pages F-21 and F-24 of this joint proxy statement/prospectus for additional information regarding the interest rate swap agreements.

Debt and Capital

Medtronic s capital structure consists of equity and interest-bearing debt. Interest-bearing debt as a percentage of total interest-bearing debt and equity was 40 percent as of July 25, 2014, 38 percent as of April 25, 2014 and 36 percent as of April 26, 2013.

As part of Medtronic s focus on returning value to Medtronic s shareholders, shares are repurchased from time to time. In June 2013 and June 2011, Medtronic s Board of Directors authorized the repurchase of 80 million and 75 million shares of Medtronic s common stock, respectively. During the three months ended July 25, 2014 and the fiscal years 2014 and 2013, Medtronic repurchased approximately 17.1 million, 47.8 million and 31.2 million shares at an average

price per share of $62.45, $53.37 and $39.97, respectively. As of July 25, 2014, Medtronic has used the entire amount authorized under the June 2011 repurchase program and has approximately 42.4 million shares remaining under the June 2013 repurchase program.

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Medtronic uses a combination of bank borrowings and commercial paper issuances to fund Medtronic s short-term financing needs. Short-term debt, including the current portion of Medtronic s long-term debt and capital lease obligations, as of July 25, 2014 was $2.477 billion compared to $1.613 billion as of April 25, 2014 and $910 million as of April 26, 2013. Medtronic utilizes Senior Notes to meet Medtronic s long-term financing needs. Long-term debt as of July 25, 2014 was $10.323 billion compared to $10.315 billions of April 25, 2014 and $9.741 billion as of April 26, 2013.

Medtronic periodically issues Senior Notes that are unsecured, senior obligations that rank equally with all other secured and unsubordinated indebtedness. Medtronic uses the net proceeds from the sale of the Senior Notes primarily for working capital and general corporate purposes. The indentures under which the Senior Notes have been issued contain customary covenants, all of which Medtronic remains in compliance with as of April 25, 2014.

In February 2014, Medtronic issued four tranches of Senior Notes (collectively, the 2014 Senior Notes) with an aggregate face value of $2.000 billion. The first tranche consisted of $250 million of floating rate Senior Notes due 2017. The second tranche consisted of $250 million of 0.875 percent Senior Notes due 2017. The third tranche consisted of $850 million of 3.625 percent Senior Notes due 2024. The fourth tranche consisted of $650 million of 4.625 percent Senior Notes due 2044. Interest on the 2017 floating rate notes is payable quarterly and interest on the other 2014 Senior Notes are payable semi-annually. Medtronic used the net proceeds from the sale of the 2014 Senior Notes for working capital and general corporate purposes, including repayment of Medtronic s indebtedness.

In March 2013, Medtronic issued three tranches of Senior Notes (collectively, the 2013 Senior Notes) with an aggregate face value of $3.000 billion. The first tranche consisted of $1.000 billion of 1.375 percent Senior Notes due 2018. The second tranche consisted of $1.250 billion of 2.750 percent Senior Notes due 2023. The third tranche consisted of $750 million of 4.000 percent Senior Notes due 2043. Interest on each series of the 2013 Senior Notes is payable semi-annually on April 1 and October 1 of each year, commencing on October 1, 2013. Medtronic used the net proceeds from the sale of the 2013 Senior Notes for working capital and general corporate purposes, including repayment of Medtronic s indebtedness.

As of April 25, 2014 and April 26, 2013, Medtronic had interest rate swap agreements designated as fair value hedges of underlying fixed-rate obligations including Medtronic s $1.250 billion 3.000 percent 2010 Senior Notes due 2015, $600 million 4.750 percent 2005 Senior Notes due 2015, $500 million 2.625 percent 2011 Senior Notes due 2016, $500 million 4.125 percent 2011 Senior Notes due 2021, and $675 million 3.125 percent 2012 Senior Notes due 2022. For additional information regarding the interest rate swap agreements, refer to Note 9 to Medtronic s consolidated audited financial statements beginning on page F-80 of this joint proxy statement/prospectus.

Medtronic maintains a commercial paper program that allows it to have a maximum of $2.250 billion in commercial paper outstanding, with maturities up to 364 days from the date of issuance. As of July 25, 2014 and April 26, 2013, outstanding commercial paper totaled $830 and $125 million, respectively. No amounts were outstanding as of April 25, 2014. During the period ended July 25, 2014 and fiscal years 2014 and 2013, the weighted average original maturity of the commercial paper outstanding was approximately 28, 53 and 89 days, respectively, and the weighted average interest rate was 0.10 percent, 0.09 percent and 0.18 percent, respectively. The issuance of commercial paper reduces the amount of credit available under Medtronic s existing line of credit.

Medtronic has a $2.250 billion syndicated credit facility dated December 17, 2012 which expires on December 17, 2017 (Credit Facility). The Credit Facility provides backup funding for the commercial paper program and may also be used for general corporate purposes. The Credit Facility provides Medtronic with the ability to increase its borrowing capacity by an additional $750 million at any time during the term of the agreement. As of July 25, 2014, April 25, 2014 and April 26, 2013, no amounts were outstanding on the committed line of credit.

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On November 7, 2014, Medtronic also entered into the Revolver Amendment Agreement among Medtronic, New Medtronic, Medtronic Luxco, the lenders from time to time party thereto and Bank of America, N.A., as administrative agent and issuing bank. Under the Revolver Amendment Agreement, the parties thereto have agreed to enter into an Amended and Restated Revolving Credit Agreement of Medtronic s existing $2.25 billion five-year senior unsecured revolving credit agreement dated as of December 17, 2012, among Medtronic, the lenders from time to time and Bank of America N.A., as administrative agent and issuing bank.

Under the Amended and Restated Revolving Credit Agreement, the lenders party thereto will provide Medtronic and Medtronic Luxco with unsecured revolving credit commitments in an aggregate principal amount of up to $3.5 billion. The commitments are intended to be used for general corporate purposes, including acquisitions and working capital of Medtronic and Medtronic Luxco, and to replace the revolving credit facility currently available to Covidien. Medtronic and Medtronic Luxco will be co-borrowers under the Amended and Restated Revolving Credit Agreement and each of Medtronic, Medtronic Luxco and New Medtronic will also guarantee the obligations of the co-borrowers under the Amended and Restated Revolving Credit Agreement. *See Financing of the Transaction*.

The $337 million of outstanding bank borrowings as of April 25, 2014 were short-term advances to certain non-U.S. subsidiaries under credit agreements with various banks. These advances are guaranteed by Medtronic. Medtronic has bank borrowings at interest rates considered favorable by management and where natural hedges can be gained for foreign exchange purposes.

At July 25, 2014, Medtronic s Moody s ratings remain unchanged as compared to those at April 25, 2014 and April 26, 2013 with a long-term debt rating of A2 and short-term debt rating of P-1. On December 13, 2013, S&P Ratings Services raised Medtronic s long-term debt rating to AA-, compared to A+ at April 26, 2013. This upgrade reflects S&P Ratings Services reassessment of Medtronic s financial risk profile given its cash balances and sizable liquid investment portfolio. S&P Ratings Services long-term debt rating and short-term debt rating remain unchanged at AA- and A-1+, respectively, as compared to the rating at April 25, 2014.

Subsequent to Medtronic s announcement regarding Medtronic s planned $42.9 billion acquisition of Covidien, on June 16, 2014, S&P Ratings Services placed Medtronic s long-term debt rating of AA- on CreditWatch, reflecting its expectation of a potential future one- or two- notch downgrade, as a result of the anticipated increase in net leverage, if the transaction is consummated. S&P Ratings Services also noted that they expect to lower Medtronic s short-term debt rating from A-1+ to A-1 if the transaction goes through as expected. Medtronic does not expect this CreditWatch to have a significant impact on Medtronic s liquidity or future flexibility to access additional liquidity given Medtronic s strong balance sheet, Medtronic s syndicated credit facility and related commercial paper program discussed above and within the Liquidity and Capital Resources section of this management s discussion and analysis, and the subsequent Credit Agreements entered into in June 2014. See Note 21 and 22 to Medtronic s consolidated audited financial statements beginning on page F-116 of this joint proxy statement/prospectus for additional information regarding Medtronic s planned acquisition of Covidien and related Credit Agreements.

Interest rates on advances on Medtronic s line of credit are determined by a pricing matrix, based on Medtronic s long-term debt ratings assigned by S&P Ratings Services and Moody s. Facility fees are payable on the credit facilities and are determined in the same manner as the interest rates. The agreements also contain customary covenants, all of which Medtronic remain in compliance with as of April 25, 2014.

Acquisitions

Period Ended July 25, 2014

On July 25, 2014, Medtronic acquired Visualase, a privately held developer of minimally invasive MRI guided laser ablation for surgical applications. Total consideration for the transaction was approximately $97 million. Based upon a preliminary acquisition valuation, Medtronic acquired $66 million of technology-

based intangible assets with an estimated useful life of 10 years at the time of acquisition and $49 million of goodwill. The acquired goodwill is not deductible for tax purposes.

On June 20, 2014, Medtronic acquired Corventis, a privately held developer of wearable, wireless technologies for cardiac disease. Total consideration for the transaction was approximately $131 million, including settlement of outstanding debt to Medtronic of $50 million. Based upon a preliminary acquisition valuation, Medtronic acquired $80 million of technology-based intangible assets with an estimated useful life of 16 years at the time of acquisition and $50 million of goodwill. The acquired goodwill is not deductible for tax purposes.

Fiscal Year 2014

On December 30, 2013, Medtronic acquired TYRX, a privately-held developer of antibiotic drug and implanted medical device combinations. TYRX s products include those designed to reduce surgical site infections associated with implantable pacemakers, defibrillators, and spinal cord neurostimulators. Under the terms of the agreement, the transaction included an initial up-front payment of $159 million, representing a purchase price net of acquired cash, including the assumption and settlement of existing TYRX debt and direct acquisition costs. Total consideration for the transaction was approximately $222 million, which included estimated fair values for product development-based and revenue-based contingent consideration of $25 million and $35 million, respectively. The product development-based contingent consideration includes a future potential payment of $40 million upon achieving certain milestones, and the revenue-based contingent consideration payments equal TYRX s actual annual revenue growth for Medtronic s fiscal years 2015 and 2016.

On August 7, 2013, Medtronic acquired Cardiocom, a privately-held developer and provider of integrated solutions for the management of chronic diseases such as heart failure, diabetes, and hypertension. Cardiocom s products and services include remote monitoring and patient-centered software to enable efficient care coordination and specialized telehealth nurse support. Total consideration for the transaction was approximately $193 million.

Fiscal Year 2013

On November 1, 2012, Medtronic acquired Kanghui, a Chinese manufacturer and distributor of orthopedic products in trauma, spine, and joint reconstruction. Total consideration for the transaction was approximately $816 million. The total value of the transaction, net of Kanghui s cash, was approximately $797 million.

Fiscal Year 2012

On August 31, 2011, Medtronic acquired Salient. Salient develops and markets devices for haemostatic sealing of soft tissue and bone incorporating advanced energy technology. Salient s devices are used in a variety of surgical procedures including orthopedic surgery, spine, open abdominal, and thoracic procedures. Total consideration for the transaction was approximately $497 million. Medtronic had previously invested in Salient and held an 8.9 percent ownership position in the company. In connection with the acquisition of Salient, Medtronic recognized a gain on Medtronic s previously-held investment of $32 million, which was recorded within *acquisition-related items* in the consolidated statements of earnings in the second quarter of fiscal year 2012. Net of this ownership position, the transaction value was approximately $452 million.

On August 31, 2011, Medtronic acquired PEAK. PEAK develops and markets tissue dissection devices incorporating advanced energy technology. Total consideration for the transaction was approximately $113 million. Medtronic had previously invested in PEAK and held an 18.9 percent ownership position in the company. In connection with the acquisition of PEAK, Medtronic recognized a gain on Medtronic s previously-held investment of $6 million, which

was recorded within *acquisition-related items* in the consolidated statements of earnings in the second quarter of fiscal year 2012. Net of this ownership position, the transaction value was approximately $96 million.

The pro forma impact of the above acquisitions was not significant, individually or in the aggregate, to Medtronic s results for the fiscal years ended April 25, 2014, April 26, 2013, or April 27, 2012. The results of

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operations related to each company acquired have been included in Medtronic s consolidated statements of earnings since the date each company was acquired.

In addition to the acquisitions above, Medtronic periodically acquires certain tangible or intangible assets from enterprises that do not otherwise qualify for accounting as a business combination. These transactions are reflected in the consolidated statements of cash flows as a component of investing activities under *other investing activities, net*.

New Accounting Pronouncements

Information regarding new accounting pronouncements is included in Note 1 to Medtronic s consolidated audited financial statements beginning on page F-48 and Note 2 to Medtronic s consolidated unaudited financial statements for the period ended July 25, 2014 beginning on page F-6 of this joint proxy statement/prospectus.

Operations Outside of the United States

The table below illustrates U.S. net sales versus net sales outside the U.S. for fiscal years 2014, 2013, and 2012:

	Fiscal Year		
(in millions)	**2014**	**2013**	**2012**
U.S. net sales	$ 9,209	$ 9,059	$ 8,828
Non-U.S. net sales	7,796	7,531	7,356
Total net sales	$ 17,005	$ 16,590	$ 16,184

For fiscal year 2014, net sales outside the U.S. increased 4 percent compared to the prior fiscal year. Foreign currency had an unfavorable impact of $175 million on net sales for fiscal year 2014. Net sales growth outside of the U.S. was led by strong growth in Surgical Technologies, Diabetes, and AF Solutions, and solid growth in CRDM defibrillation systems, Neuromodulation, and Endovascular, partially offset by unfavorable foreign currency translation and a decline in Pacing Systems and Coronary.

For fiscal year 2013, net sales outside the U.S. increased 2 percent over the prior fiscal year. Foreign currency had an unfavorable impact of $328 million on net sales for fiscal year 2013. Outside the U.S., net sales growth was led by strong growth in Endovascular, Diabetes, and Surgical Technologies, and solid growth in Medtronic s Neuromodulation and Structural Heart businesses. Growth was partially offset by unfavorable foreign currency translation and slight declines in CRDM defibrillation and pacing systems and Core Spine.

Net sales outside the U.S. are accompanied by certain financial risks, such as changes in foreign currency exchange rates and collection of receivables, which typically have longer payment terms. Medtronic monitors the creditworthiness of its customers to which it grants credit terms in the normal course of business. However, a significant amount of Medtronic s outstanding accounts receivable is with national health care systems in many countries. Medtronic continues to monitor the economic conditions in many countries outside the U.S. (particularly Italy, Spain, Portugal, and Greece) and the average length of time it takes to collect on Medtronic s outstanding accounts receivable in these countries. As of April 25, 2014 and April 26, 2013, the aggregate accounts receivable balance for Italy, Spain, Portugal, and Greece, net of allowance for doubtful accounts, was $628 million and $770 million, respectively. Medtronic also continues to monitor the creditworthiness of customers located in these and other geographic areas. In the past, accounts receivable balances with certain customers in these countries

accumulated over time and were subsequently settled as large lump sum payments. Although Medtronic does not currently foresee a significant credit risk associated with a material portion of these receivables, repayment is dependent upon the financial stability of the economies of those countries. For certain Greece customers, collectability is not reasonably assured for revenue transactions and Medtronic defers revenue recognition until all revenue recognition criteria are met. As of April 25, 2014 and April 26, 2013, Medtronic s

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remaining deferred revenue balance for certain Greece distributors was $15 million and $21 million, respectively. Outstanding gross receivables from customers outside the U.S. totaled $2.421 billion at April 25, 2014, or 61 percent of total outstanding accounts receivable, and $2.349 billion as of April 26, 2013, or 61 percent of total outstanding accounts receivable.

Quantitative and Qualitative Disclosures about Market Risk

Due to the global nature of Medtronic s operations, Medtronic is exposed to currency exchange rate changes. In a period where the U.S. dollar is strengthening/weakening as compared to other currencies, Medtronic s revenues and expenses denominated in foreign currencies are translated into U.S. dollars at a lower/higher value than they would be in an otherwise constant currency exchange rate environment.

Medtronic uses operational and economic hedges, as well as currency exchange rate derivative instruments, to manage the impact of currency exchange rate fluctuations on earnings and cash flows. In order to minimize earnings and cash flow volatility resulting from currency exchange rate fluctuations, Medtronic enters into derivative instruments, principally forward currency exchange rate contracts. These contracts are designed to hedge anticipated foreign currency transactions and changes in the value of specific assets and liabilities. At inception of the contract, the derivative instrument is designated as either a freestanding derivative or a cash flow hedge. The primary currencies of the derivative instruments are the Euro and Japanese Yen. Fluctuations in the currency exchange rates of currency exposures that are unhedged, such as in certain emerging markets, may result in future earnings and cash flow volatility. Medtronic does not enter into currency exchange rate derivative instruments for speculative purposes.

The gross notional amount of all currency exchange rate derivative instruments outstanding at July 25, 2014 and April 25, 2014 was $7.306 billion and $8.051 billion, respectively. At July 25, 2014, these contracts were in an unrealized gain position of $29 million. A sensitivity analysis of changes in the fair value of all foreign currency exchange rate derivative contracts at July 25, 2014 indicates that, if the U.S. dollar uniformly strengthened/weakened by 10 percent against all currencies, the fair value of these contracts would increase/decrease by approximately $538 million. Any gains and losses on the fair value of derivative contracts would generally be offset by gains and losses on the underlying transactions. These offsetting gains and losses are not reflected in the above analysis. Medtronic is also exposed to interest rate changes affecting its investments in interest rate sensitive instruments, which include Medtronic s marketable debt securities, fixed-to-floating interest rate swap agreements, and forward starting interest rate swap agreements. A sensitivity analysis of the impact on Medtronic s interest rate sensitive financial instruments of a hypothetical 10 basis point change in interest rates, compared to interest rates as of July 25, 2014, indicates that the fair value of these instruments would correspondingly change by $57 million.

Medtronic has investments in marketable debt securities that are classified and accounted for as available-for-sale. Medtronic s debt securities include U.S. government and agency securities, foreign government and agency securities, corporate debt securities, certificates of deposit, mortgage-backed securities, other asset-backed securities, debt funds, and auction rate securities. For a discussion of current market conditions and the impact on Medtronic s financial condition and results of operations, please see *Risk Factors* beginning on page 40 of this joint proxy statement/prospectus and the *Liquidity and Capital Resources* section of *Medtronic Management s Discussion and Analysis of Financial Condition and Results of Operations* beginning on page 178 of this joint proxy statement/prospectus.

For additional discussion of market risk, see *Risk Factors* beginning on page 40 of this joint proxy statement/prospectus and Notes 5 and 9 to Medtronic s consolidated audited financial statements beginning on pages F-66 and F-80 of this joint proxy statement/prospectus.

Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

Not applicable.

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MEDTRONIC S BUSINESS

Overview

Medtronic is the global leader in medical technology. Medtronic was founded in 1949, incorporated as a Minnesota corporation in 1957, and today serves hospitals, physicians, clinicians, and patients in more than 140 countries worldwide. Medtronic remains committed to a mission written by its founder more than 50 years ago that directs Medtronic to contribute to human welfare by the application of biomedical engineering in the research, design, manufacture, and sale of products to alleviate pain, restore health, and extend life.

Medtronic currently functions in three operating segments that manufacture and sells device-based medical therapies. Medtronic s operating segments are as follows:

Cardiac and Vascular Group

Cardiac Rhythm Disease Management

Coronary

Structural Heart

Endovascular

Restorative Therapies Group

Spine

Neuromodulation

Surgical Technologies

Diabetes Group

The chart above shows the net sales and percentage of total net sales contributed by each of Medtronic s operating segments for the fiscal year ended April 25, 2014 (fiscal year 2014). For more information, please see Note 20 to Medtronic s consolidated audited financial statements beginning on page F-115 of this joint proxy statement/prospectus.

In the first quarter of fiscal year 2015, Medtronic realigned the Cardiac and Vascular Group businesses with a specific focus on comprehensive disease management. This change did not impact Medtronic s reportable segments or operating segments. Beginning in the first quarter of fiscal year 2015, the Cardiac Rhythm Disease Management business became known as the Cardiac Rhythm & Heart Failure business, the Coronary business and Structural Heart business became known as the Coronary & Structural Heart business, and the Endovascular business became known as the Aortic & Peripheral business.

The results of operations, assets, and liabilities of the Physio-Control business, which were previously presented as a component of the Cardiac and Vascular Group operating segment, are classified as discontinued operations. All information in this Item 1. Business includes only results from continuing operations (excluding Physio Control) for all periods presented, unless otherwise noted. For further information regarding discontinued operations, see Note 17 to Medtronic s consolidated audited financial statements beginning on page F-109 of this joint proxy statement/prospectus.

With innovation and market leadership, Medtronic has pioneered advances in medical technology in all of Medtronic s businesses. Over the last five years, Medtronic s net sales on a compounded annual growth basis have increased approximately 3 percent, from $15.392 billion in fiscal year 2010 to $17.005 billion in fiscal year

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2014. Medtronic s commitment to enhance Medtronic s offerings by developing and acquiring new products, wrap-around programs, and solutions to meet the needs of a broader set of stakeholders is driven by the following primary strategies:

Therapy Innovation: Delivering strong launch cadence of meaningful therapies and procedures.

Globalization: Addressing the inequity in health care access globally, primarily in emerging markets.

Economic Value: Becoming a leader in value-based health care by offering new services and solutions to improve outcomes, lower costs by reducing hospitalizations, improve remote clinical management, and increase patient engagement.

Medtronic s primary customers include hospitals, clinics, third-party health care providers, distributors, and other institutions, including governmental health care programs and group purchasing organizations.

Cardiac and Vascular Group

Cardiac Rhythm Disease Management

CRDM develops, manufactures, and markets products for the diagnosis, treatment, and management of heart rhythm disorders and heart failure, including implantable devices, leads and delivery systems, products for the treatment of AF, products designed to reduce surgical site infections, information systems for the management of patients with CRDM devices, and an integrated health solutions business.

The following are the principal products offered by Medtronic s CRDM business:

Implantable Cardiac Pacemakers (Pacemakers)

A pacemaker is a battery-powered device implanted in the chest that delivers electrical impulses to treat bradycardia, a condition of abnormally slow heart rhythms, usually less than 60 beats per minute, or unsteady heart rhythms that cause symptoms such as dizziness, fainting, fatigue, and shortness of breath. Medtronic s latest generation of pacemaker systems is compatible with certain MRI machines. These include the Advisa and Revo MRI SureScan models, which have received U.S. FDA approval, and the Advisa and Ensura MRI SureScan models which have received CE Mark approval. Medtronic also continues to market the Adapta product family, which includes the Adapta, Versa, and Sensia models.

Implantable Cardioverter Defibrillators (ICDs)

An ICD continually monitors the heart and delivers therapy when an abnormal heart rhythm, such as tachyarrhythmia, or rapid heart rhythm, occurs and leads to sudden cardiac arrest. Medtronic s latest generation ICD is the Evera MRI SureScan, the first and only ICD system with CE Mark approval for full-body MRI scans which has increased battery longevity, advanced shock reduction technology, and a contoured shape with thin, smooth, edges that better fits inside the body. The Evera system is paired with the reliable Sprint Quattro Secure lead, the only defibrillator lead with more than 10 years of proven performance with active monitoring. In addition to Evera, devices in the ICD family include the Protecta XT/Protecta with SmartShock technology, including the Lead Integrity Alert (LIA), an exclusive

technology designed to improve the detection of lead fractures, and the Cardia and Egida models. Medtronic also continues to market the Secura, Virtuoso, and Maximo II devices.

Implantable Cardiac Resynchronization Therapy Devices (CRT-Ds and CRT-Ps)

Implantable CRT devices are CRT-D or are pacing-only (CRT-P). These devices treat heart failure patients by altering the abnormal electrical sequence of cardiac contractions by sending tiny electrical impulses to the lower chambers of the heart to help them beat in a more synchronized fashion. Medtronic s latest generation of CRT-Ds is the Viva/Brava family that features a new algorithm, called AdaptivCRT, which improves heart failure patients response rate to CRT-D therapy, as compared to historical CRT trials, by preserving the patients

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normal heart rhythms and continuously adapting to individual patient needs. Other features of the Viva/Brava portfolio include Ensure CRT, which works to maximize CRT treatment, even during atrial fibrillation, SmartShock technology, increased battery longevity, and OptiVol 2.0 fluid status monitoring. In Europe, Medtronic also has CE Mark approval for Medtronic s Attain Performa quadripolar leads. Paired with Medtronic s Viva/Brava Quad CRT-Ds, Attain Performa left-heart leads provide additional options for physicians as they navigate different patient anatomies, optimizing therapy based on the individual needs of heart failure patients. Medtronic s quadripolar technology is in the clinical evaluation process for U.S. FDA approval. Medtronic s CRT-D devices also include the Protecta XT/Protecta with SmartShock technology. With respect to CRT-P, Medtronic recently received CE Mark approval for its Viva CRT-P, which includes the AdaptivCRT software. In the U.S., Medtronic s latest CRT-P devices are Consulta and Syncra.

AF Products

AF is a condition in which the atrium quivers instead of pumping blood effectively. Medtronic s portfolio of AF products includes the Arctic Front Advance Cardiac Cryoballoon System designed for pulmonary vein isolation in the treatment of patients with drug refractory paroxysmal AF. Additionally, Medtronic has a second-generation CE Mark approved Phased RF System, PVAC Gold, which uses duty cycled, phased radio frequency energy for the treatment of symptomatic paroxysmal persistent and long-standing persistent AF. Medtronic s Phased RF portfolio, including PVAC Gold, is currently being clinically evaluated by the U.S. FDA.

Diagnostics and Monitoring Devices

The Reveal LINQ is Medtronic s newest Insertable Cardiac Monitor (ICM) System, having recently received U.S. FDA and CE Mark approval. The system is used to record the heart s electrical activity before, during, and after transient symptoms such as syncope (i.e., fainting) and palpitations to help provide a diagnosis and is the smallest ICM device available for patients. LINQ is 80% smaller than other ICMs. In addition, it has 20% more data memory than its larger predecessor, Reveal XT.

Services and Solutions

Given the market s shift to value-based health care, Medtronic is expanding its medical device product offerings to include broader health care services and solutions that provide meaningful clinical outcomes and economic value for hospitals, physicians, patients, and payers. Such services and solutions include several different platforms. Medtronic s Cardiocom products and services include remote monitoring and patient-centered software to enable efficient care coordination and specialized telehealth nurse support. Medtronic s TYRX products include the recently U.S. FDA cleared AIGISRx R fully resorbable antibacterial envelope and AIGISRx N antibacterial envelope, which are designed to reduce surgical site infections associated with implantable pacemakers, defibrillators, and spinal cord neurostimulators. Medtronic s Cath Lab Managed Services business is focused on developing novel partnerships with hospitals to provide services directly related to hospital operational efficiency. The business is initially focused on offering services in Europe to manage and modernize catheterization lab (cath lab) facilities, bringing sustainable efficiencies and programs to this critical area of hospital cardiology departments.

Patient Management Tools

Medtronic has a number of patient management tools, such as Patient Home Monitors, CareLink Express, Paceart, and CardioSight Service. CareLink Express is the latest advancement in the care of Medtronic cardiac device patients, enabling transmission of data from their pacemaker, ICD, CRT-D, or Insertable Cardiac Monitor using a portable monitor that is connected to a standard telephone line. Paceart organizes and archives data for cardiac devices from

major device manufacturers, serving as the central hub for patients device data. CardioSight Service is an in-clinic data access tool available to physicians treating heart failure patients who have one of several types of Medtronic CRT-Ds or ICDs. Patient Home Monitors transfer data from pacemakers, ICDs, and CRT-Ds from patients homes to a web-based system that their health care provider can view.

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The charts below set forth net sales of Medtronic s CRDM products as a percentage of Medtronic s total net sales for each of the last three fiscal years:

Customers and Competitors

The primary medical specialists who use Medtronic s CRDM products include electrophysiologists, implanting cardiologists, heart failure specialists, and cardiovascular surgeons. Medtronic s primary competitors in the CRDM business are St. Jude Medical, Inc. (St. Jude), Boston Scientific Corp. (Boston Scientific), Biotronik, Inc., and Sorin Group (Sorin).

Coronary

Coronary includes therapies to treat coronary artery disease (CAD) and hypertension. The products contained within this business include coronary stents and related delivery systems, including a broad line of balloon angioplasty catheters, guide catheters, guidewires, diagnostic catheters, and accessories.

The following are the principal products offered by Medtronic s Coronary business:

Percutaneous Coronary Intervention (PCI)

PCI encompasses a variety of procedures used to treat patients with CAD. CAD is commonly treated with balloon angioplasty, which is performed to open narrowed heart vessels by inserting a balloon catheter into the vessel and advancing it to the site of the blockage where it is inflated to widen the obstructed vessel. Balloon angioplasty can be followed up with a coronary stent, a support device which works as scaffolding to keep the vessel open following the intervention. Medtronic s PCI stent products include Medtronic s Resolute Integrity, Resolute, and Endeavor drug-eluting stent systems as well as Medtronic s Integrity, Driver, and Micro-Driver bare metal stent systems.

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The charts below set forth net sales of Medtronic s Coronary products as a percentage of Medtronic s total net sales for each of the last three fiscal years:

Customers and Competitors

The primary medical specialists who use Medtronic s Coronary products are interventional cardiologists. Medtronic s primary competitors in the Coronary business are Abbott Laboratories (Abbott) and Boston Scientific.

Structural Heart

The Structural Heart business offers a comprehensive line of products and therapies to treat a variety of heart valve disorders. Medtronic s products include products for the repair and replacement of heart valves, perfusion systems, positioning and stabilization systems for beating heart revascularization surgery, and surgical ablation products.

The following are the principal products offered by Medtronic s Structural Heart business:

Transcatheter Heart Valves (TCVs)

TCV technology represents a less invasive means to treat heart valve disease and is designed to allow physicians to deliver replacement valves via a catheter through the body s cardiovascular system, eliminating the need to open the chest. Medtronic s TCVs include the CoreValve transfemoral aortic valve and Engager transapical aortic valves as well as the Melody pulmonary valve. CoreValve, which is the only TCV system shown to be superior to open-heart surgery, has received U.S. FDA approval for extreme risk patients and CE Mark approval. Medtronic received U.S. FDA approval for CoreValve in high risk patients in June 2014. Medtronic s next-generation recapturable TCV system, CoreValve Evolut R, is currently being clinically evaluated for CE Mark approval and is expected to begin enrolling in its U.S. Investigational Device Exemption (IDE) in the first half of fiscal year 2015. Engager has received CE Mark approval while Melody has received CE Mark approval and U.S. FDA approval under a Humanitarian Device Exemption (HDE).

Heart Valves

Medtronic offers a complete line of surgical valve replacement and repair products for damaged or diseased heart valves. Medtronic s replacement products include both tissue and mechanical valves. Medtronic s replacement tissue valve product offerings include the Mosaic bioprosthetic stented, Freestyle stentless, Hancock II stented, Enable sutureless tissue (CE Mark countries), and 3f Biological tissue valves. Medtronic s mechanical valves include the Open Pivot valve. Medtronic s valve repair products include the Duran Flexible and CG Future Band, CG Composite Annuloplasty Systems, Profile 3D Annuloplasty Ring, Simulus Ring portfolio, and Tri-Ad Annuloplasty Ring.

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Arrested Heart Surgery

In conventional coronary artery bypass graft procedures and heart valve surgery, the patient s heart is temporarily stopped, or arrested. The patient is placed on a circulatory support system that temporarily functions as the patient s heart and lungs and provides blood flow to the body. Medtronic offers a complete line of blood-handling products that form this circulatory support system and maintain and monitor blood circulation and coagulation status, oxygen supply, and body temperature during arrested heart surgery. Medtronic s Affinity Fusion oxygenation system received both CE Mark and U.S. FDA approval and is being launched globally. Affinity Fusion incorporates numerous innovations for patient safety and ease of use.

Beating Heart Surgery

To assist physicians performing beating heart surgery, Medtronic offers positioning and stabilization technologies. These technologies include Medtronic s Starfish 2 and Urchin heart positioners, which are designed to work in concert with Medtronic s family of Octopus tissue stabilizers.

Surgical Ablation

Medtronic s Cardioblate surgical ablation system, which includes the Cardioblate LP surgical ablation system, Cardioblate navigator tissue dissector, and Cardioblate Cryoflex system, allows cardiac surgeons to create ablation lines during cardiac surgery.

The charts below set forth net sales of Medtronic s Structural Heart products as a percentage of Medtronic s total net sales for each of the last three fiscal years:

Customers and Competitors

The primary medical specialists who use Medtronic s Structural Heart products are cardiac surgeons and interventional cardiologists. Medtronic s primary competitors in the Structural Heart business are Edwards, St. Jude, Sorin, Maquet Medical Systems, which is part of the publicly-listed Swedish group of companies GETINGE AB, and Terumo Medical Corporation.

Endovascular

The Endovascular business is comprised of a comprehensive line of products and therapies to treat aortic disease (such as aneurysms, dissections, and transections) as well as peripheral vascular disease (PVD). Medtronic s products include endovascular stent graft systems, peripheral stent and angioplasty systems, and carotid embolic protection systems for the treatment of vascular disease outside the heart.

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The following are the principal products offered by Medtronic s Endovascular business:

Endovascular Stent Grafts

An endovascular stent graft is a minimally invasive device to treat aortic disease such as an aortic aneurysm, which is a weakened and bulging area in the aorta, the major blood vessel that feeds blood to the body. Medtronic s products are designed to treat aortic aneurysms in either the abdomen (AAA) or thoracic (TAA) regions of the aorta. Medtronic s product line includes a range of endovascular stent grafts and accessories including the market-leading Endurant II abdominal stent graft system and the Valiant Captivia thoracic stent graft system.

Peripheral Vascular Intervention (PVI)

PVI encompasses a variety of procedures to treat patients with PVD, a narrowing or blockage of vessels outside the heart which impedes blood supply to the brain, kidneys, legs, and other vital organs. Similar to CAD, PVD is commonly treated with balloon angioplasty which can be followed up with a peripheral stent. Medtronic s primary PVI products include percutaneous angioplasty balloons including the IN.PACT family of drug-coated balloons, as well as stents such as the Complete SE Vascular Stent and the Assurant Cobalt Iliac Stent.

The charts below set forth net sales of Medtronic s Endovascular products as a percentage of Medtronic s total net sales for each of the last three fiscal years:

Customers and Competitors

The primary medical specialists who use Medtronic s Endovascular products include interventional radiologists, vascular surgeons, cardiac surgeons, and interventional cardiologists. Medtronic s primary competitors in the Endovascular business include Cook, Inc., W. L. Gore & Associates, Inc., Endologix, Inc., TriVascular Technologies, Inc., Lombard Medical, Inc., Abbott, Boston Scientific, C.R. Bard, Inc., and Johnson & Johnson, Inc. (Johnson & Johnson).

Restorative Therapies Group

Spine

Medtronic s Spine business develops, manufactures, and markets a comprehensive line of medical devices and implants used in the treatment of the spine and musculoskeletal system. Medtronic s products and therapies treat a variety of conditions affecting the spine, including degenerative disc disease, spinal deformity, spinal tumors, fractures of the spine, and stenosis. Medtronic s Spine business also provides biologic solutions for the orthopedic and dental markets.

Medtronic offers some of the industry s broadest lines of devices, including a wide range of sophisticated internal spinal stabilization devices, instruments, and biomaterials used in the treatment of spinal conditions. Medtronic s Spine products are used in spinal fusion of both the thoracolumbar region, referring to the mid to lower vertebrae, and cervical region, or upper spine and neck vertebrae. Products used to treat spinal conditions

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include rods, pedicle screws, hooks, plates, balloons, cement and interbody devices, as well as biologics products, primarily bone growth substitutes including bone graft extenders and structural allografts such as dowels and wedges. In concert with Medtronic s Surgical Technologies business, Medtronic offers unique and highly differentiated navigation, neuromonitoring, and power technologies designed for spine procedures.

The following are the principal products offered by Medtronic s Spine business:

Thoracolumbar Products

Products used to treat conditions in this region of the spine include the CD HORIZON SOLERA and LEGACY Systems, the TSRH 3Dx System, and the T2 Altitude System. In addition, Medtronic offers a number of products that facilitate less invasive thoracolumbar surgeries, including the CD HORIZON SOLERA SEXTANT and LONGITUDE Percutaneous Fixation Systems, the Direct Lateral Access System and corresponding CLYDESDALE Interbody Implant, Xpander II Balloon Kyphoplasty product for vertebral compression fractures, and the METRx System. Other products include AMT interbody implants, Powerease powered surgical instruments, and the NIM-ECLIPSE Spinal System.

Cervical Products

Products used to treat conditions in this region of the spine include the ATLANTIS VISION ELITE Anterior Cervical Plate System, the VERTEX SELECT Reconstruction System, and the PRESTIGE and BRYAN Cervical Artificial Discs.

Kanghui

Kanghui, which was acquired on November 1, 2012, has a broad portfolio of trauma and spine products focused on the growing value segment in China and other emerging markets, and is beginning to expand into large-joint reconstruction.

Biologics Products

Products in Medtronic s Biologics platform include INFUSE Bone Graft (InductOs in the EU), which contains a recombinant human bone morphogenetic protein, rhBMP-2, for certain spinal, trauma, and oral maxillofacial applications, Demineralized Bone Matrix (DBM) products, including MagniFuse, Grafton/Grafton Plus, and PROGENIX, and the MASTERGRAFT family of synthetic bone graft products Matrix, Putty, and Granules.

The charts below set forth net sales of Medtronic s Spine products as a percentage of Medtronic s total net sales for each of the last three fiscal years:

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Customers and Competitors

The primary medical specialists who use Medtronic s Spine products are spinal surgeons, neurosurgeons, orthopedic surgeons, and interventional radiologists. Competitors in this business include DePuySynthes, a Johnson & Johnson Company, Stryker Corporation (Stryker), NuVasive, Inc., Globus Medical, Inc., Zimmer Holdings, Inc. (Zimmer), Alphatec Holdings, Inc., K2M Group Holdings, Inc., LDR Holding Corporation, Orthofix International N.V., Biomet, Inc., and over 200 smaller competitors and physician-owned distributorships.

Neuromodulation

Medtronic s Neuromodulation business includes implantable neurostimulation and targeted drug delivery systems for the management of chronic pain, common movement disorders, spasticity, and urologic and gastrointestinal disorders. Neurostimulation uses an implantable medical device, similar to a pacemaker, called a neurostimulator.

The following are the principal products offered by Medtronic s Neuromodulation business:

Neurostimulation Systems for Chronic Pain

Neurostimulation therapy for chronic pain uses a neurostimulator to deliver mild electrical impulses to the spinal cord, which act to block pain signals from the brain. Medtronic has the largest portfolio of neurostimulation systems in the industry, including rechargeable and non-rechargeable devices and a large selection of leads used to treat chronic back and/or limb pain. Medtronic s portfolio of products includes pain neurostimulation systems with SureScan MRI Technology, including the RestoreSensor (rechargeable) SureScan MRI, with its proprietary AdaptiveStim technology. Other products include the RestoreULTRA (rechargeable), RestoreADVANCED (rechargeable), and PrimeADVANCED (non-rechargeable) neurostimulation systems.

Implantable Drug Infusion Systems

The SynchroMed II Implantable Infusion System delivers small quantities of drug directly into the intrathecal space surrounding the spinal cord. These devices are used to treat chronic, intractable pain and severe spasticity associated with cerebral palsy, multiple sclerosis, spinal cord and traumatic brain injuries, and stroke.

Deep Brain Stimulation (DBS) Systems

DBS uses a neurostimulator to deliver mild electrical pulses to precisely targeted areas in the brain. DBS is currently approved in many countries around the world for the treatment of the disabling symptoms of essential tremor, Parkinson s disease, refractory epilepsy (outside the U.S.), severe, treatment-resistant obsessive-compulsive disorder (approved under a HDE in the U.S.), and chronic, intractable primary dystonia (approved under a HDE in the U.S.). Medtronic s family of Activa Neurostimulators for DBS includes Activa SC (single-channel primary cell), Activa PC (dual channel primary cell), and Activa RC (dual channel rechargeable).

Gastroenterology & Urology Systems

Sacral neuromodulation uses InterStim, a neurostimulator, to help control the symptoms of overactive bladder, (non-obstructive) urinary retention, and chronic fecal incontinence. The InterStim system consists of a thin wire lead and a neurostimulator. After a successful trial stimulation period, the system is implanted under the skin in the upper buttock and delivers mild electrical pulses to stimulate the sacral nerves, which are involved in the control of bladder and bowel function. Enterra Therapy is the only gastric electrical stimulation therapy approved in the U.S. (under a

HDE), Europe, and Canada for use in the treatment of intractable nausea and vomiting associated with gastroparesis. The system, which contains a small neurostimulator and two leads, stimulates the smooth muscles of the lower stomach.

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The charts below set forth net sales of Medtronic s Neuromodulation products as a percentage of Medtronic s total net sales for each of the last three fiscal years:

Customers and Competitors

The primary medical specialists who use Medtronic s pain management and movement disorder products are neurosurgeons, neurologists, pain management specialists, anesthesiologists, physiatrists, and spinal surgeons. Medtronic s primary competitors in this business are Boston Scientific and St. Jude.

The primary medical specialists who use Medtronic s gastroenterology and urology products are urologists, urogynecologists, gastroenterologists, and colorectal surgeons. Medtronic s primary competitors in this business are Allergan, Inc., Uroplasty, Inc., and Astellas Pharma, Inc.

Surgical Technologies

Medtronic s Surgical Technologies business develops, manufactures, and markets products and therapies to treat diseases and conditions of the ear, nose, and throat and certain neurological disorders. In addition, the business develops, manufactures, and markets image-guided surgery and intra-operative imaging systems that facilitate surgical planning during precision cranial, spinal, sinus, and orthopedic surgeries. Medtronic s Advanced Energy business includes products in the emerging field of advanced energy surgical incision technology, as well as the haemostatic sealing of soft tissue and bone.

The following are the principal products offered by Medtronic s Surgical Technologies business:

Neurosurgery

The following products treat certain neurological disorders and conditions: Midas Rex Spine Shaver, the Midas Rex MR7 Pneumatic Platform, the Midas Rex Legend EHS High Speed Surgical Drill, the Strata Family of Adjustable Valves for the treatment of Hydrocephalus, Duet External Drainage & Monitoring System, the IPC System, and the Subdural Evacuating Port System. The following Navigation products are used in cranial, spinal, sinus, and orthopedic surgeries: the StealthStation S7 Navigation and i7 Integrated Navigation Systems, the O-arm 2D/3D Surgical Imaging System, and the Polestar Surgical MRI System.

ENT

The following products treat ENT diseases and conditions: Straightshot M4 Microdebrider Handpiece, the IPC system, NIM Nerve Monitoring Systems, Fusion ENT Navigation System, Hydrodebrider Endoscopic Sinus Irrigation System, Meniett Device for Meniere s Disease, as well as surgical products for Snoring and Obstructive Sleep Apnea.

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Advanced Energy

Medtronic s PEAK Surgery System is a tissue dissection system that consists of the PEAK PlasmaBlade and PULSAR Generator and is cleared for use in a variety of settings, including plastic reconstructive, general surgery, and conditions of ENT. Medtronic s Aquamantys System uses patented Transcollation technology to provide haemostatic sealing of soft tissue and bone and is cleared for use in a variety of surgical procedures, including orthopedic surgery, spine, solid organ resection and thoracic procedures.

The charts below set forth net sales of Medtronic s Surgical Technologies products as a percentage of Medtronic s total net sales for each of the last three fiscal years:

Customers and Competitors

The primary customers for Medtronic s products relating to ENT diseases and conditions are ENT surgeons and the hospitals and clinics where they perform surgery. Competitors in this part of Medtronic s Surgical Technologies business include Gyrus ACMI (a group company of Olympus Corporation), Stryker, and Johnson & Johnson.

The primary customers for Medtronic s neurosurgical products are neurosurgeons, spinal surgeons, and the hospitals and clinics where they perform surgery. Competitors include Johnson & Johnson, Stryker, Zimmer, and Integra LifeSciences Holdings Corporation. The primary customers for Medtronic s image-guided surgery and intra-operative imaging systems are hospitals and clinics. Competitors include BrainLAB, Inc., Stryker, GE Healthcare, Siemens Medical Solutions USA, Inc., and Philips Medical Systems.

The primary customers for Medtronic s advanced energy products are orthopedic surgeons, spinal surgeons, neurosurgeons, general surgeons, electro physiologists, and the hospitals and clinics where they perform surgery. Competitors include Johnson & Johnson, Covidien plc, ArthroCare Corporation, a Smith & Nephew plc company, Olympus Corporation, Stryker, Conmed Corporation, and B. Braun Medical Inc.

Diabetes Group

Medtronic s Diabetes business develops, manufactures, and markets advanced, integrated diabetes management solutions that include insulin pump therapy, CGM systems, and therapy management software.

The following are the principal products offered by Medtronic s Diabetes business:

Integrated Diabetes Management Solutions

Medtronic has the only integrated insulin pump and CGM system in the world. In the U.S., Medtronic offers the MiniMed 530G System featuring Medtronic s threshold suspend technology, which automatically suspends insulin delivery when glucose levels reach a pre-determined threshold, and newest CGM sensor, Enlite, which is

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labeled for 6-days and is more comfortable, more accurate, and smaller than Medtronic s previous generation sensor. Outside the U.S., Medtronic offers its Paradigm Veo System, an integrated system that includes the Low Glucose Suspend feature and is labeled for use with Enlite.

Professional CGM

In addition to Personal CGM (Enlite), Medtronic offers physicians a Professional CGM product called the iPro2/iPro Professional CGM System. Physicians send patients home wearing the iPro2/iPro recorder to capture glucose data, which is later uploaded in a physician s office to reveal glucose patterns and potential problems, including hyperglycemic and hypoglycemic episodes, which can lead to more informed treatment decisions.

CareLink Therapy Management Software

Medtronic offers web-based therapy management software solutions, including CareLink Personal software for patients and CareLink Pro software, to help patients and their health care providers control their diabetes.

The charts below set forth net sales of Medtronic s Diabetes products as a percentage of Medtronic s total net sales for each of the last three fiscal years:

Customers and Competitors

The primary medical specialists who use and/or prescribe Medtronic s Diabetes products are endocrinologists, diabetologists, and internists. Medtronic s primary competitors in the Diabetes business are Johnson & Johnson, DexCom, Inc., Insulet Corporation, F. Hoffmann-La Roche Ltd, and Tandem Diabetes Care, Inc.

Research and Development

The markets in which Medtronic participates are subject to rapid technological advances. Constant improvement of products and introduction of new products is necessary to maintain market leadership. Medtronic s R&D efforts are directed toward maintaining or achieving technological leadership in each of the markets Medtronic serves in order to help ensure that patients using Medtronic s devices and therapies receive the most advanced and effective treatment possible. Medtronic remains committed to developing technological enhancements and new indications for existing products, and less invasive and new technologies for new and emerging markets to address unmet patient needs. That commitment leads to Medtronic s initiation and participation in many clinical trials each fiscal year as the demand for clinical and economic evidence remains high. Furthermore, Medtronic expects its development activities to help reduce patient care costs and the length of hospital stays in the future. Medtronic has not engaged in significant customer or government-sponsored research.

During fiscal years 2014, 2013, and 2012, Medtronic spent $1.477 billion (8.7 percent of net sales), $1.557 billion (9.4 percent of net sales), and $1.490 billion (9.2 percent of net sales) on R&D, respectively. Medtronic s R&D activities include improving existing products and therapies, expanding their indications and

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applications for use, and developing new products. Medtronic continues to focus on optimizing innovation, improving Medtronic s R&D productivity, driving growth in emerging markets, evidence generation for Medtronic s growth platforms, and continues to assess Medtronic s R&D programs based on their ability to deliver economic value to the customer.

Acquisitions and Investments

Medtronic s strategy to provide a broad range of therapies to restore patients to fuller, healthier lives requires a wide variety of technologies, products, and capabilities. The rapid pace of technological development in the medical industry and the specialized expertise required in different areas of medicine make it difficult for one company alone to develop a broad portfolio of technological solutions. In addition to internally generated growth through Medtronic s R&D efforts, historically, Medtronic has relied, and expect to continue to rely, upon acquisitions, investments, and alliances to provide access to new technologies both in areas served by Medtronic s existing businesses as well as in new areas and markets.

Medtronic expects to make future investments or acquisitions where Medtronic believes that it can stimulate the development of, or acquire new technologies and products to further, its strategic objectives, and strengthen Medtronic s existing businesses. Mergers and acquisitions of medical technology companies are inherently risky and no assurance can be given that any of Medtronic s previous or future acquisitions will be successful or will not materially adversely affect Medtronic s consolidated results of operations, financial condition, and/or cash flows.

Period Ended July 25, 2014

On July 25, 2014, Medtronic acquired Visualase, a privately held developer of minimally invasive MRI guided laser ablation for surgical applications. Total consideration for the transaction was approximately $97 million. Based upon a preliminary acquisition valuation, Medtronic acquired $66 million of technology-based intangible assets with an estimated useful life of 10 years at the time of acquisition and $49 million of goodwill. The acquired goodwill is not deductible for tax purposes.

On June 20, 2014, Medtronic acquired Corventis, a privately held developer of wearable, wireless technologies for cardiac disease. Total consideration for the transaction was approximately $131 million, including settlement of outstanding debt to Medtronic of $50 million. Based upon a preliminary acquisition valuation, Medtronic acquired $80 million of technology-based intangible assets with an estimated useful life of 16 years at the time of acquisition and $50 million of goodwill. The acquired goodwill is not deductible for tax purposes.

Fiscal Year 2014

On December 30, 2013, Medtronic acquired TYRX, a privately-held developer of antibiotic drug and implanted medical device combinations. TYRX s products include those designed to reduce surgical site infections associated with implantable pacemakers, defibrillators, and spinal cord neurostimulators. Under the terms of the agreement, the transaction included an initial up-front payment of $159 million, representing a purchase price net of acquired cash, including the assumption and settlement of existing TYRX debt and direct acquisition costs. Total consideration for the transaction was approximately $222 million, which included estimated fair values for product development-based and revenue-based contingent consideration of $25 million and $35 million, respectively. The product development-based contingent consideration includes a future potential payment of $40 million upon achieving certain milestones, and the revenue-based contingent consideration payments equal TYRX s actual annual revenue growth for Medtronic s fiscal years 2015 and 2016.

On August 7, 2013, Medtronic acquired Cardiocom, LLC (Cardiocom), a privately-held developer and provider of integrated solutions for the management of chronic diseases such as heart failure, diabetes, and hypertension. Cardiocom s products and services include remote monitoring and patient-centered software to enable efficient care coordination and specialized telehealth nurse support. Total consideration for the transaction was approximately $193 million.

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Fiscal Year 2013

On November 1, 2012, Medtronic acquired Kanghui. Kanghui is a Chinese manufacturer and distributor of orthopedic products in trauma, spine, and joint reconstruction. Total consideration for the transaction was approximately $816 million. The total value of the transaction, net of Kanghui s cash, was approximately $797 million.

Fiscal Year 2012

On August 31, 2011, Medtronic acquired Salient Surgical Technologies, Inc. (Salient). Salient develops and markets devices for haemostatic sealing of soft tissue and bone incorporating advanced energy technology. Salient s devices are used in a variety of surgical procedures, including orthopedic surgery, spine, open abdominal, and thoracic procedures. Total consideration for the transaction was approximately $497 million. Medtronic had previously invested in Salient and held an 8.9 percent ownership position in the company. In connection with the acquisition of Salient, Medtronic recognized a gain on Medtronic s previously-held investment of $32 million, which was recorded within acquisition-related items in the consolidated statements of earnings in fiscal year 2012. Net of this ownership position, the transaction value was approximately $452 million.

On August 31, 2011, Medtronic acquired PEAK. PEAK develops and markets tissue dissection devices incorporating advanced energy technology. Total consideration for the transaction was approximately $113 million. Medtronic had previously invested in PEAK and held an 18.9 percent ownership position in the company. In connection with the acquisition of PEAK, Medtronic recognized a gain on its previously-held investment of $6 million, which was recorded within acquisition-related items in the consolidated statements of earnings in fiscal year 2012. Net of this ownership position, the transaction value was approximately $96 million.

Patents and Licenses

Medtronic relies on a combination of patents, trademarks, copyrights, trade secrets, and non-disclosure and non-competition agreements to establish and protect Medtronic s proprietary technology. Medtronic has filed and obtained numerous patents in the U.S. and abroad, and regularly files patent applications worldwide in Medtronic s continuing effort to establish and protect its proprietary technology. U.S. patents typically have a 20-year term from the application date while patent protection outside the U.S. varies from country to country. In addition, Medtronic has entered into exclusive and non-exclusive licenses relating to a wide array of third-party technologies. Medtronic has also obtained certain trademarks and trade names for Medtronic s products to distinguish its genuine products from its competitors products, and Medtronic maintains certain details about Medtronic s processes, products, and strategies as trade secrets. In the aggregate, these intellectual property assets and licenses are of material importance to Medtronic s business; however, Medtronic believes that no single patent, technology, trademark, intellectual property asset or license is material in relation to any segment of Medtronic s business as a whole. Medtronic s efforts to protect Medtronic s intellectual property and avoid disputes over proprietary rights have included ongoing review of third-party patents and patent applications. For additional information see Note 18 to Medtronic s consolidated audited financial statements beginning on page F-110 of this joint proxy statement/prospectus.

Markets and Distribution Methods

Medtronic sells most of its medical devices through direct sales representatives in the U.S. and a combination of direct sales representatives and independent distributors in markets outside the U.S. The three largest markets for Medtronic s medical devices are the U.S., Western Europe, and Japan. Emerging markets are an area of increasing focus and opportunity as Medtronic believes they remain underpenetrated.

Medtronic s marketing and sales strategy is focused on rapid, cost-effective delivery of high-quality products to a diverse group of customers worldwide including physicians, hospitals, other medical institutions,

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and group purchasing organizations. To achieve this objective, Medtronic organizes its marketing and sales teams around physician specialties. This focus enables Medtronic to develop highly knowledgeable and dedicated sales representatives who are able to foster strong relationships with physicians and other customers and enhance Medtronic s ability to cross-sell complementary products. Medtronic believes that it maintains excellent working relationships with physicians and others in the medical industry that enable Medtronic to gain a detailed understanding of therapeutic and diagnostic developments, trends, and emerging opportunities and respond quickly to the changing needs of physicians and patients. Medtronic attempts to enhance its presence in the medical community through active participation in medical meetings and by conducting comprehensive training and educational activities. Medtronic believes that these activities contribute to physician expertise.

In keeping with the increased emphasis on cost-effectiveness in health care delivery, the current trend among hospitals and other customers of medical device manufacturers is to consolidate into larger purchasing groups to enhance purchasing power. As a result, transactions with customers have become increasingly significant and more complex. This enhanced purchasing power may also lead to pressure on pricing and increased use of preferred vendors. Medtronic s customer base continues to evolve to reflect such economic changes across the geographic markets Medtronic serves. Medtronic is not dependent on any single customer for more than 10 percent of Medtronic s total net sales.

Competition and Industry

Medtronic competes in both the therapeutic and diagnostic medical markets in more than 140 countries throughout the world. These markets are characterized by rapid change resulting from technological advances and scientific discoveries. The product lines in which Medtronic competes face a mixture of competitors ranging from large manufacturers with multiple business lines to small manufacturers offering a limited selection of products. In addition, Medtronic faces competition from providers of alternative medical therapies such as pharmaceutical companies.

Major shifts in industry market share have occurred in connection with product problems, physician advisories, safety alerts, and publications about Medtronic s products, reflecting the importance of product quality, product efficacy, and quality systems in the medical device industry. In addition, in the current environment of managed care, economically motivated customers, consolidation among health care providers, increased competition, and declining reimbursement rates, Medtronic has been increasingly required to compete on the basis of price. In order to continue to compete effectively, Medtronic must continue to create or acquire advanced technology, incorporate this technology into proprietary products, obtain regulatory approvals in a timely manner, maintain high-quality manufacturing processes, and successfully market these products.

Worldwide Operations

For financial reporting purposes, net sales and property, plant, and equipment attributable to significant geographic areas are presented in Note 20 to Medtronic s consolidated audited financial statements beginning on page F-115 of this joint proxy statement/prospectus.

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Impact of Business Outside of the U.S.

Medtronic s operations in countries outside the U.S. are accompanied by certain financial and other risks. Relationships with customers and effective terms of sale vary by country, often with longer-term receivables than are typical in the U.S. Foreign currency exchange rate fluctuations can affect revenues, net of expenses, and cash flows from operations outside the U.S. Medtronic uses operational and economic hedges, as well as currency exchange rate derivative contracts, to manage the impact of currency exchange rate changes on earnings and cash flow. See Note 9 to Medtronic s consolidated audited financial statements beginning on page F-80 of this joint proxy statement/prospectus. In addition, the repatriation of certain earnings of subsidiaries outside the U.S. may result in substantial U.S. tax cost.

Production and Availability of Raw Materials

Medtronic manufactures most of its products at 41 manufacturing facilities located in various countries throughout the world. The largest of these manufacturing facilities are located in Arizona, California, Colorado, Connecticut, Florida, Indiana, Massachusetts, Michigan, Minnesota, New Jersey, Texas, Puerto Rico, Canada, France, Germany, Ireland, Italy, Mexico, The Netherlands, The People s Republic of China, Singapore, and Switzerland. Medtronic purchases many of the components and raw materials used in manufacturing these products from numerous suppliers in various countries. For reasons of quality assurance, sole source availability, or cost effectiveness, certain components and raw materials are available only from a sole supplier. Medtronic works closely with Medtronic s suppliers to help ensure continuity of supply while maintaining high quality and reliability. Due to the U.S. FDA s requirements regarding manufacturing of Medtronic s products, Medtronic may not be able to quickly establish additional or replacement sources for certain components or materials. Generally, Medtronic has been able to obtain adequate supplies of such raw materials and components. However, a sudden or unexpected reduction or interruption in supply, and an inability to develop alternative sources for such supply, could adversely affect Medtronic s operations. Moreover, as directed by Dodd-Frank, the SEC has implemented reporting and disclosure requirements related to the use of certain minerals, known as conflict minerals : tantalum, tin, tungsten (or their ores), and gold; which are mined from the Democratic Republic of the Congo and adjoining countries. Pursuant to these requirements, Medtronic is required to report on Form SD the procedures it employs to determine the sourcing of such minerals and metals produced from those minerals. There are costs associated with complying with these disclosure requirements, including for diligence in regards to the sources of any conflict minerals used in Medtronic s products, in addition to the cost of remediation and other changes to products, processes, or sources of supply as a consequence of such verification activities. In addition, the implementation of these rules could adversely affect the sourcing, supply, and pricing of materials used in Medtronic s products. As of the date of Medtronic s conflict minerals report for the 2013 calendar year, Medtronic was unable to obtain the necessary information on conflict minerals from all of its suppliers and were unable to determine that all of its products are conflict free. Medtronic may continue to face difficulties in gathering this information in the future. Medtronic may face reputational challenges if it determines that certain of Medtronic s products contain minerals not determined to be conflict free or if Medtronic is unable to sufficiently verify the origins for all conflict minerals used in Medtronic s products through the procedures it implements.

Working Capital Practices

Medtronic s goal is to carry sufficient levels of inventory to ensure adequate supply of raw materials from suppliers and meet the product delivery needs of Medtronic s customers. Medtronic also provides payment terms to customers in the normal course of business and rights to return product under warranty to meet the operational demands of Medtronic s customers.

Employees

On April 25, 2014, Medtronic employed more than 49,000 employees (including full-time equivalent employees). Medtronic s employees are vital to its success. Medtronic believes it has been successful in attracting and retaining qualified personnel in a highly competitive labor market due to its competitive compensation and benefits, and its rewarding work environment.

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Seasonality

Worldwide sales, including U.S. sales, do not reflect any significant degree of seasonality; however, the number of medical procedures incorporating Medtronic products is generally lower during summer months, due to summer vacation schedules in the northern hemisphere, particularly in European countries.

Government Regulation and Other Considerations

Medtronic s medical devices are subject to regulation by numerous government agencies, including the U.S. FDA and similar agencies outside the U.S. To varying degrees, each of these agencies requires Medtronic to comply with laws and regulations governing the development, testing, manufacturing, labeling, marketing, and distribution of its medical devices. Medtronic s business is also affected by U.S. and foreign patient privacy laws, cost containment initiatives and environmental health and safety laws and regulations. The primary laws and regulations that affect Medtronic s business are described below.

The laws applicable to Medtronic are subject to change and subject to evolving interpretations. If a governmental authority were to conclude that Medtronic is not in compliance with applicable laws and regulations, Medtronic and its officers and employees could be subject to severe criminal and civil penalties, including substantial fines and damages, and exclusion from participation as a supplier of product to beneficiaries covered by Medicare or Medicaid.

Product Approval Processes

Authorization to commercially distribute a new medical device in the U.S. is generally received in one of two ways. The first, known as pre-market notification or the 510(k) process, requires Medtronic to demonstrate that its new medical device is substantially equivalent to a legally marketed medical device. In this process, Medtronic must submit data that supports its equivalence claim. If human clinical data is required, it must be gathered in compliance with U.S. FDA investigational device exemption regulations. Medtronic must receive an order from the U.S. FDA finding substantial equivalence to another legally marketed medical device before it can commercially distribute the new medical device. Modifications to cleared medical devices can be made without using the 510(k) process if the changes do not significantly affect safety or effectiveness. A very small number of Medtronic s devices are exempt from pre-market review.

The second, more rigorous process, known as pre-market approval (PMA), requires Medtronic to independently demonstrate that the new medical device is safe and effective. Medtronic does this by collecting data regarding design, materials, bench and animal testing, and human clinical data for the medical device. The U.S. FDA will authorize commercial distribution if it determines there is reasonable assurance that the medical device is safe and effective. This determination is based on the benefit outweighing the risk for the population intended to be treated with the device. This process is much more detailed, time-consuming, and expensive than the 510(k) process. A third, seldom used, process for approval exists for humanitarian use devices, intended for patient populations of less than 4,000 patients per year in the U.S. This exemption is similar to the PMA process; however, a full showing of product effectiveness from large clinical trials is not required. The threshold for approving these products is probable benefit and safety.

Many countries outside the U.S. to which Medtronic exports medical devices also subject such medical devices to their own regulatory requirements. Frequently, regulatory approval may first be obtained in a foreign country prior to application in the U.S. due to differing regulatory requirements; however, other countries, such as China, for example, require approval in the country of origin first. Most countries outside of the U.S. require that product approvals be recertified on a regular basis, generally every five years. The recertification process requires that Medtronic evaluate

any device changes and any new regulations or standards relevant to the device and, where needed, conduct appropriate testing to document continued compliance. Where recertification applications are required, they must be approved in order to continue selling Medtronic s products in those countries. Because export control and economic sanctions laws and regulations are complex and constantly

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changing, Medtronic cannot assure you that laws and regulations may not be enacted, amended, enforced or interpreted in a manner materially impacting Medtronic s ability to sell or distribute products.

In the EU, a single regulatory approval process exists, and conformity with the legal requirements is represented by the CE Mark. To obtain a CE Mark, defined products must meet minimum standards of performance, safety, and quality (i.e., the essential requirements), and then, according to their classification, comply with one or more of a selection of conformity assessment routes. A notified body assesses the quality management systems of the manufacturer and the product conformity to the essential and other requirements within the medical device directive. Medtronic is subject to inspection by notified bodies for compliance. The competent authorities of the EU countries, generally in the form of their ministries or departments of health, oversee the clinical research for medical devices and are responsible for market surveillance of products once they are placed on the market. Medtronic is required to report device failures and injuries potentially related to product use to these authorities in a timely manner. Various penalties exist for non-compliance with the laws transcribing the medical device directives.

To be sold in Japan, most medical devices must undergo thorough safety examinations and demonstrate medical efficacy before they are granted approval, or shonin. The Japanese government, through the Ministry of Health, Labour, and Welfare (MHLW), regulates medical devices under the Pharmaceutical Affairs Law (PAL). Oversight for medical devices is conducted with participation by the PMDA, a quasi-government organization performing many of the review functions for MHLW. Penalties for a company s noncompliance with PAL could be severe, including revocation or suspension of a company s business license and criminal sanctions. MHLW and PMDA also assess the quality management systems of the manufacturer and the product conformity to the requirements of the PAL. Medtronic is subject to inspection for compliance by these agencies.

Medtronic s global regulatory environment is becoming increasingly stringent and unpredictable, which could increase the time, cost and complexity of obtaining regulatory approvals for Medtronic s products. Several countries that did not have regulatory requirements for medical devices have established such requirements in recent years and other countries have expanded, or plan to expand, on existing regulations. Certain regulators are requiring local clinical data in addition to global clinical data. While harmonization of global regulations has been pursued, requirements continue to differ significantly among countries. Medtronic expects this global regulatory environment will continue to evolve, which could impact Medtronic s ability to obtain future approvals for Medtronic s products, or could increase the cost and time to obtain such approvals in the future. Medtronic cannot assure you that any new medical devices it develops will be approved in a timely or cost-effective manner or approved at all.

Ongoing U.S. FDA Regulations

Both before and after a product is commercially released, Medtronic has ongoing responsibilities under U.S. FDA regulations. The U.S. FDA reviews design and manufacturing practices, labeling and record keeping, and manufacturers required reports of adverse experiences and other information to identify potential problems with marketed medical devices. Medtronic is also subject to periodic inspection by the U.S. FDA for compliance with the U.S. FDA s quality system regulations, which govern the methods used in, and the facilities and controls used for, the design, manufacture, packaging, and servicing of all finished medical devices intended for human use. In addition, the U.S. FDA and other U.S. regulatory bodies (including the Federal Trade Commission, the Office of the Inspector General of the HHS, DOJ, and various state Attorneys General) monitor the manner in which Medtronic promotes and advertises its products. Although surgeons are permitted to use their medical judgment to employ medical devices for indications other than those cleared or approved by the U.S. FDA, Medtronic is prohibited from promoting products for such off-label uses and can only market its products for cleared or approved uses. If the U.S. FDA were to conclude that Medtronic is not in compliance with applicable laws or regulations, or that any of its medical devices are ineffective or pose an unreasonable health risk, the U.S. FDA could require Medtronic to notify health

professionals and others that the devices present unreasonable risks of substantial harm to the public health, order a recall, repair, replacement, or refund of such devices, detain or seize

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adulterated or misbranded medical devices, or ban such medical devices. The U.S. FDA may also impose operating restrictions, enjoin and/or restrain certain conduct resulting in violations of applicable law pertaining to medical devices, including a hold on approving new devices until issues are resolved to its satisfaction, and assess civil or criminal penalties against Medtronic s officers, employees, or Medtronic. The U.S. FDA may also recommend prosecution to the DOJ. Conduct giving rise to civil or criminal penalties may also form the basis for private civil litigation by third-party payers or other persons allegedly harmed by Medtronic s conduct.

Governmental Trade Regulations

The sale and shipment of Medtronic s products and services across international borders, as well as the purchase of components and products from international sources, subject Medtronic to extensive governmental trade regulations. A variety of laws and regulations, both in the U.S. and in the countries in which Medtronic transacts business, apply to the sale, shipment and provision of goods, services and technology across international borders. Because Medtronic is subject to extensive regulations in the countries in which it operates, Medtronic is subject to the risk that laws and regulations could change in a way that would expose it to additional costs, penalties or liabilities. These laws and regulations govern, among other things, Medtronic s import and export activities.

The U.S. FDA, in cooperation with U.S. Customs and Border Protection (CBP), administers controls over the import of medical devices into the U.S. The CBP imposes its own regulatory requirements on the import of Medtronic s products, including inspection and possible sanctions for noncompliance. Medtronic is also subject to foreign trade controls administered by several U.S. government agencies, including the Bureau of Industry and Security within the Commerce Department and the Office of Foreign Assets Control within the Treasury Department. Medtronic imports raw materials, components and finished products into the countries in which Medtronic transacts business. Medtronic acts as the import of record in many instances, but Medtronic also sells and ships goods to third parties who are themselves responsible for complying with applicable trade laws and regulations. In Medtronic s role as importer of record, Medtronic is directly responsible for complying with customs laws and regulations concerning the importation of Medtronic s raw materials, components and finished products. If third parties violate U.S. FDA or customs laws and regulations when engaging in cross-border transactions involving Medtronic s products, Medtronic may be subject to varying degrees of liability depending on its participation in the transaction. In addition, the activities of third parties may cause supply chain disruptions and delays in the distribution of Medtronic s products that impact Medtronic s business activities.

Many countries, including the U.S., control the export and re-export of goods, technology and services for reasons including public health, national security, regional stability, antiterrorism policies and other reasons. In certain circumstances, approval from governmental authorities may be required before goods, technology or services are exported or re-exported to certain destinations, to certain end-users and for certain end-uses. In addition, international sales of Medtronic s medical devices that have not received U.S. FDA approval are subject to U.S. FDA export requirements. Some governments may also impose economic sanctions against certain countries, persons or entities. In addition to Medtronic s need to comply with such regulations in connection with Medtronic s direct export activities, Medtronic also sells and provides goods, technology and services to agents, representatives and distributors who may export such items to customers and end-users. If third parties violate applicable export control and economic sanctions laws and regulations when engaging in transactions involving Medtronic s products, Medtronic may be subject to varying degrees of liability dependent upon Medtronic s participation in the transaction. The activities of Medtronic s third parties may cause disruption or delays in the distribution and sales of Medtronic s products, or result in restrictions being placed upon Medtronic s international distribution and sales of products, which may materially impact Medtronic s business activities.

Anti-Boycott Laws

Under U.S. laws and regulations, U.S. companies and their controlled-in-fact foreign subsidiaries and affiliates are prohibited from participating or agreeing to participate in unsanctioned foreign boycotts in

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connection with certain business activities, including the sale, purchase, transfer, shipping or financing of goods or services within the U.S. or between the U.S. and a foreign country. Currently, the U.S. considers the Arab League boycott of Israel to constitute an unsanctioned foreign boycott. Medtronic is responsible for ensuring Medtronic complies with the requirements of U.S. anti-boycott laws for all transactions in which it is involved. If Medtronic or third parties violate U.S. anti-boycott laws and regulations when engaging in transactions involving Medtronic s products, Medtronic may be subject to varying degrees of liability dependent upon the nature of the transaction and Medtronic s participation in the transaction. Penalties for any violations of anti-boycott laws and regulations could include criminal penalties and civil sanctions such as fines, imprisonment, debarment from government contracts, loss of export privileges and the denial of certain tax benefits, including foreign tax credits, and foreign subsidiary deferrals.

Patient Privacy Laws

U.S. federal and state laws protect the confidentiality of certain patient health information, including patient medical records, and restrict the use and disclosure of patient health information by health care providers. In particular, in April 2003, the HHS published patient privacy rules under the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and, in April 2005, published security rules for protected health information. The HIPAA privacy and security rules govern the use, disclosure, and security of protected health information by Covered Entities, which are health care providers that submit electronic claims, health plans, and health care clearinghouses. In 2009, Congress passed the HITECH Act, which modified certain provisions of the HIPAA privacy and security rules for Covered Entities and their Business Associates (which is anyone that performs a service on behalf of a Covered Entity involving the use or disclosure of protected health information and is not a member of the Covered Entity s workforce). These included directing HHS to publish more specific security standards, and increasing breach notification requirements, as well as tightening certain aspects of the privacy rules. HHS published the final versions of these new rules in January 2013, and Covered Entities and Business Associates were expected to be in compliance by September 2013. In addition, the HITECH Act provided that Business Associates will now be subject to the same security requirements as Covered Entities, and that with regard to both the security and privacy rule, Business Associates will be subject to direct enforcement by HHS, including civil and criminal liability, just as Covered Entities are. In the past, HIPAA has generally affected Medtronic indirectly. Medtronic is generally not a Covered Entity, except for a few units such as Medtronic s Diabetes business and Medtronic s health insurance plans. Medtronic only operates as a Business Associate to Covered Entities in a limited number of instances. In those cases, the patient data that Medtronic receives and analyzes may include protected health information. Medtronic is committed to maintaining the security and privacy of patients health information and believes that Medtronic meets the expectations of the HIPAA rules. Some modifications to Medtronic s systems and policies may be necessary, but the framework is already in place. However, the potential for enforcement action against Medtronic is now greater, as HHS can take action directly against Business Associates. Thus, while Medtronic believes it is and will be in substantial compliance with HIPAA standards, there is no guarantee that the government will not disagree. Enforcement actions can be costly and interrupt regular operations of Medtronic s business. Nonetheless, these requirements affect a limited subset of Medtronic s business. Medtronic believes the ongoing costs and impacts of assuring compliance with the HIPAA privacy and security rules are not material to Medtronic s business. In addition, there has been a developing trend of civil lawsuits and class actions brought relating to breaches of consumer data held by large companies. While Medtronic has not been named in any such suits, if a substantial breach or loss of data from Medtronic s records were to occur, Medtronic could become a target of such litigation.

In 2013, Medtronic provided notification regarding certain records related to patients of Medtronic s Diabetes business unit. While Medtronic found no evidence of a breach or inadvertent disclosure of the patient records, Medtronic was unable to locate them for retrieval. The HHS Office of Civil Rights contacted Medtronic following the disclosure, as is their regular practice, and Medtronic has provided them information on the issue and Medtronic s information

security practices. In addition, Medtronic, along with two other large medical device manufacturers, discovered an unauthorized intrusion to Medtronic s systems that was believed to originate from hackers in Asia. Medtronic concluded that the intrusion did not breach any of the databases where it stores

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patient data. Medtronic received inquiries from some State Attorneys General regarding whether notification to patients was necessary, and provided them information about Medtronic s analysis and conclusions that patient data was not affected.

Medtronic is also impacted by the privacy requirements of countries outside the U.S. Privacy standards in Europe and Asia are becoming increasingly strict. Enforcement action and financial penalties related to privacy in the EU are growing, and new laws and restrictions are being passed. The management of cross border transfers of information among and outside of EU member countries is becoming more complex, which may complicate Medtronic s clinical research activities, as well as product offerings that involve transmission or use of clinical data. Medtronic will continue Medtronic s efforts to comply with those requirements and to adapt Medtronic s business processes to the standards.

Cost Containment Initiatives

Government and private sector initiatives to limit the growth of health care costs, including price regulation, competitive pricing, bidding and tender mechanics, coverage and payment policies, comparative effectiveness of therapies, technology assessments, and managed-care arrangements, are continuing in many countries where Medtronic does business, including the U.S. These changes are causing the marketplace to put increased emphasis on the delivery of more cost-effective medical devices and therapies. Government programs, including Medicare and Medicaid, private health care insurance, and managed-care plans have attempted to control costs by limiting the amount of reimbursement they will pay for particular procedures or treatments, tying reimbursement to outcomes, shifting to population health management, and other mechanisms designed to constrain utilization and contain costs. Hospitals, which purchase implants, are also seeking to reduce costs through a variety of mechanisms, including, for example, creating centralized purchasing functions that set pricing and in some cases limiting the number of vendors that can participate in the purchasing program. Hospitals are also aligning interests with physicians through employment and other arrangements, such as gainsharing, where a hospital agrees with physicians to share any realized cost savings resulting from the physicians collective change in practice patterns such as standardization of devices where medically appropriate. This has created an increasing level of price sensitivity among customers for Medtronic s products. Some third-party payers must also approve coverage and set reimbursement levels for new or innovative devices or therapies before they will reimburse health care providers who use the medical devices or therapies. Even though a new medical device may have been cleared for commercial distribution, Medtronic may find limited demand for the device until coverage and sufficient reimbursement levels have been obtained from governmental and private third-party payers. In addition, some private third-party payers require that certain procedures or that the use of certain products be authorized in advance as a condition of reimbursement. International examples of cost containment initiatives and health care reforms in markets significant to Medtronic s business include Japan, where the government reviews reimbursement rate benchmarks every two years, which may significantly reduce reimbursement for procedures using Medtronic s medical devices or deny coverage for those procedures. As a result of Medtronic s manufacturing efficiencies, cost controls and other cost-savings initiatives, Medtronic believes it is well-positioned to respond to changes resulting from the worldwide trend toward cost-containment; however, uncertainty remains as to the nature of any future legislation or other reforms, making it difficult for Medtronic to predict the potential impact of cost-containment trends on future operating results.

Regulations Governing Reimbursement

The delivery of Medtronic s devices is subject to regulation by HHS and comparable state and non-U.S. agencies responsible for reimbursement and regulation of health care items and services. U.S. laws and regulations are imposed primarily in connection with the Medicare and Medicaid programs, as well as the government s interest in regulating the quality and cost of health care. Foreign governments also impose regulations in connection with their health care

reimbursement programs and the delivery of health care items and services.

U.S. federal health care laws apply when Medtronic or customers submit claims for items or services that are reimbursed under Medicare, Medicaid, or other federally-funded health care programs. The principal U.S.

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federal laws include: (1) the Anti-kickback Statute which prohibits offers to pay or receive remuneration of any kind for the purpose of including or rewarding referrals of items or services reimbursable by a federal health care program; (2) the False Claims Act which prohibits the submission of false or otherwise improper claims for payment to a federally-funded health care program, including claims resulting from a violation of the Anti-kickback Statute; (3) the Stark law which prohibits physicians from referring Medicare or Medicaid patients to a provider that bills these programs for the provision of certain designated health services if the physician (or a member of the physician s immediate family) has a financial relationship with that provider; and (4) health care fraud statutes that prohibit false statements and improper claims to any third-party payer. There are often similar state false claims, anti-kickback, and anti-self-referral and insurance laws that apply to state-funded Medicaid and other health care programs and private third-party payers. In addition, the FCPA can be used to prosecute companies in the U.S. for arrangements with physicians, or other parties outside the U.S. if the physician or party is a government official of another country and the arrangement violates the law of that country.

Environmental Health and Safety Laws

Medtronic is also subject to various environmental health and safety laws and regulations both within and outside the U.S. Like other medical device companies, Medtronic s manufacturing and other operations involve the use and transportation of substances regulated under environmental health and safety laws including those related to the transportation of hazardous materials. To the best of Medtronic s knowledge at this time, Medtronic does not expect that compliance with environmental protection laws will have a material impact on its consolidated results of operations, financial position, or cash flows.

Litigation Risks

Patent Litigation. Medtronic operates in an industry characterized by extensive patent litigation. Patent litigation can result in significant damage awards and injunctions that could prevent the manufacture and sale of affected products or result in significant royalty payments in order to continue selling the products. At any given time, Medtronic is involved as both a plaintiff and a defendant in a number of patent infringement actions, the outcomes of which may not be known for prolonged periods of time. While it is not possible to predict the outcome of patent litigation incidents to Medtronic s business, Medtronic believes the costs associated with this type of litigation could have a material adverse impact on its consolidated results of operations, financial position, or cash flows. For additional information, see Note 18 to Medtronic s consolidated audited financial statements beginning on page F-110 and Note 19 to Medtronic s consolidated unaudited financial statements for the period ended July 25, 2014 beginning on page F-35 of this joint proxy statement/prospectus.

Product Liability and Other Claims. Medtronic operates in an industry susceptible to significant product liability claims. These claims may be brought by individuals seeking relief on their own behalf or purporting to represent a class. Medtronic is also susceptible to other litigation, including private securities litigation, shareholder derivative suits and contract litigation. These claims may be asserted against Medtronic in the future based on events Medtronic is not aware of at the present time. For additional information, see Note 18 to Medtronic s consolidated audited financial statements beginning on page F-110 and Note 19 to Medtronic s consolidated unaudited financial statements for the period ended July 25, 2014 beginning on page F-35 of this joint proxy statement/prospectus.

Self-Insurance

Medtronic has elected to self-insure most of Medtronic s insurable risks. Medtronic made this decision based on conditions in the insurance marketplace that have led to increasingly higher levels of self-insurance retentions, increasing numbers of coverage limitations, and dramatically higher insurance premium rates. Medtronic maintains a

directors and officers insurance policy providing limited coverage and it continues to monitor the insurance marketplace to evaluate the value to Medtronic of obtaining insurance coverage for other categories of losses in the future. Based on historical loss trends, Medtronic believes that Medtronic s self-

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insurance program accruals and Medtronic s existing insurance coverage will be adequate to cover future losses. Historical trends, however, may not be indicative of future losses. The absence of third-party insurance coverage for other categories of losses increases Medtronic s exposure to unanticipated claims and these losses could have a material adverse impact on Medtronic s consolidated earnings, financial condition and/or cash flows.

Properties

Medtronic s principal offices are owned by Medtronic and located in the Minneapolis, Minnesota metropolitan area. Manufacturing or research facilities are located in Arizona, California, Colorado, Connecticut, Florida, Indiana, Massachusetts, Michigan, Minnesota, New Jersey, Tennessee, Texas, Puerto Rico, Canada, Denmark, France, Germany, Ireland, Israel, Italy, Mexico, The Netherlands, The People s Republic of China, Singapore, and Switzerland. Medtronic s total manufacturing and research space is approximately 4.5 million square feet. Approximately 40 percent of the manufacturing or research facilities are owned by Medtronic and the balance is leased.

Medtronic also maintains sales and administrative offices in the U.S. at 39 locations in 25 states or jurisdictions and outside the U.S. at 118 locations in 50 countries. Most of these locations are leased. Medtronic is using substantially all of its currently available productive space to develop, manufacture, and market its products. Medtronic s facilities are in good operating condition, suitable for their respective uses, and adequate for current needs.

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DIRECTORS OF MEDTRONIC

Richard H. Anderson, age 59, has been a director since 2002. Mr. Anderson has been Chief Executive Officer of Delta Air Lines, Inc., a commercial airline, since 2007. He was Executive Vice President of United Health Group Incorporated, a diversified health care company, and President, Commercial Services Group, of United Health Group Incorporated from 2006 to 2007, Executive Vice President of United Health Group and Chief Executive Officer of its Ingenix subsidiary from 2004 until 2006. Mr. Anderson was Chief Executive Officer of Northwest Airlines Corporation from 2001 to 2004. Northwest Airlines Corporation and Delta Air Lines, Inc. filed for bankruptcy in 2005, which is within two years of Mr. Anderson serving as an executive officer of each company. Mr. Anderson serves on the board of directors of Delta Air Lines, Inc.

Scott C. Donnelly, age 53, has been a director since 2013. Mr. Donnelly is Chairman, President and Chief Executive Officer of Textron, Inc., a producer of aircraft, defense and industrial products. Mr. Donnelly joined Textron in June 2008 as Executive Vice President and Chief Operating Officer and was promoted to President and Chief Operating Officer in January 2009. He was appointed to the Board of Directors in October 2009, became Chief Executive Officer of Textron in December 2009 and Chairman of the Board in September 2010. Previously, Mr. Donnelly was the President and CEO of General Electric Company s aviation business unit, GE Aviation, a leading maker of commercial and military jet engines and components as well as integrated digital, electric power and mechanical systems for aircraft. Prior to July 2005, Mr. Donnelly held various other management positions since joining General Electric in 1989.

Omar Ishrak, age 58, has been a director since 2011. Mr. Ishrak has been Chairman and Chief Executive Officer of Medtronic since 2011. Prior to joining Medtronic, Mr. Ishrak served as President and Chief Executive Officer of GE Healthcare Systems, a comprehensive provider of medical imaging and diagnostic technology and a division of GE Healthcare, from 2009 to 2011. Before that, Mr. Ishrak was President and Chief Executive Officer of GE Healthcare Clinical Systems from 2005 to 2008 and President and Chief Executive Officer of GE Healthcare Ultrasound and BMD from 1995 to 2004.

Shirley Ann Jackson, Ph.D., age 67, has been a director since 2002. Dr. Jackson has been President of Rensselaer Polytechnic Institute, a technological research university, since 1999. She was Chair of the U.S. Nuclear Regulatory Commission under President Clinton from 1995 to 1999, and Professor of Physics at Rutgers University and consultant to AT&T Bell Laboratories from 1991 to 1995. Dr. Jackson currently serves as a member of the President s Council of Advisors on Science and Technology, appointed by President Obama in 2009. She is a member of the National Academy of Engineering and the American Philosophical Society and a Fellow of the American Academy of Arts and Sciences, the American Association for the Advancement of Science, and the American Physical Society. She is a trustee of the Brookings Institution, a Life Trustee of M.I.T. and a member of the Council on Foreign Relations. She is also a director of FedEx Corporation, a global courier delivery company, Marathon Oil Corporation, a company with international operations in exploration and production, oil sands mining and integrated gas, Public Service Enterprise Group, a publicly owned gas and electric utility company in the state of New Jersey, and International Business Machines Corporation, a multinational technology and consulting corporation. Within the past five years, Dr. Jackson also served as a director of NYSE Euronext, a multinational financial services corporation.

Michael O. Leavitt, age 63, has been a director since 2011. Governor Leavitt has been founder and Chairman of Leavitt Partners, a healthcare and food safety consulting firm, since 2009. Prior to that he was the United States Secretary of Health and Human Services from 2005 to 2009; Administrator of the Environmental Protection Agency from 2003 to 2005; and Governor of Utah from 1993 to 2003.

James T. Lenehan, age 65, has been a director since 2007. Mr. Lenehan served as President of Johnson & Johnson, an international pharmaceutical company, from 2002 until 2004 when he retired after 28 years of service to Johnson & Johnson. During those 28 years, Mr. Lenehan also served as Vice Chairman of Johnson & Johnson from 2000 until 2004; Worldwide Chairman of Johnson & Johnson s Medical Devices and Diagnostics Group from 1999 until he became Vice Chairman of the Board; and Worldwide Chairman, Consumer

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Pharmaceuticals & Professional Group. Mr. Lenehan has been a financial consultant since 2004. Within the past five years, Mr. Lenehan served as a director of Talecris Biotherapeutics Holding Corp, a global biopharmaceutical company.

Elizabeth G. Nabel, M.D., age 62, has been a director since September 16, 2014. Dr. Nabel has been President of Brigham & Women s Hospital since 2010. She is also a professor of Medicine at Harvard Medical School. Previously, Dr. Nabel served for ten years at the National Institutes of Health where she held a variety of roles, including director of the National Heart, Lung and Blood Institute. Dr. Nabel is an elected member of the Institute of Medicine of the National Academy of Sciences.

Denise M. O Leary, age 57, has been a director since 2000. Ms. O Leary has been a private venture capital investor in a variety of early stage companies since 1996. Ms. O Leary is also a director of American Airlines Group, Inc., a commercial airline, and Calpine Corporation, a national power generation company based in the United States. She was a member of the Stanford University Board of Trustees from 1996 through 2006, where she chaired the Committee of the Medical Center. Within the past five years, Ms. O Leary served as a director of US Airways Group, Inc., a commercial airline.

Kendall J. Powell, age 60, has been a director since 2007. Mr. Powell has been Chairman of General Mills, Inc., an international producer, marketer and distributor of cereals, snacks and processed foods, since 2008 and Chief Executive Officer of General Mills, Inc. since 2007. He was President and Chief Operating Officer of General Mills, Inc. from 2006 to 2007, and became a director of General Mills, Inc. in 2006; Executive Vice President and Chief Operating Officer, U.S. Retail from 2005 to 2006; and Executive Vice President of General Mills, Inc. from 2004 to 2005. From 1999 to 2004, Mr. Powell was Chief Executive Officer of Cereal Partners Worldwide, a joint venture of General Mills, Inc. and the Nestle Corporation. Mr. Powell joined General Mills, Inc. in 1979.

Robert C. Pozen, age 67, has been a director since 2004. Mr. Pozen was Chairman of MFS Investment Management and a director of MFS Mutual Funds from 2004 until 2011. He previously was Secretary of Economic Affairs for the Commonwealth of Massachusetts in 2003, and John Olin Visiting Professor, Harvard Law School, from 2002 to 2003. He also was Vice Chairman of Fidelity Investments from 2000 to 2001 and President of Fidelity Management & Research from 1997 to 2001. From 2007 to 2008, he was the chairman of the SEC Advisory Committee on Improvements to Financial Reporting and since 2008 he has been a senior lecturer at Harvard Business School. Mr. Pozen currently serves on the board of Nielsen N.V., a global information and measurement company. Within the past five years, Mr. Pozen also served as a director of MFS Investment Management, a global asset manager, MFS Mutual Funds, a global provider of mutual fund services, and BCE Inc., a telecommunications conglomerate and the parent company of Bell Canada.

Preetha Reddy, age 56, has been a director since 2012. Ms. Reddy has been Managing Director of Apollo Hospitals Enterprise Limited, a specialized hospital system in India and a division of The Apollo Group, since 1993. Prior to that she was Joint Managing Director from 1991-1993 and Director of Apollo Hospitals since February 1989. Ms. Reddy serves on several boards under the Apollo Group, an owner of for-profit educational institutions. She is a member of the Wipro Business Leadership Council, and Senior Vice President of the All India Management Association.

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MANAGEMENT OF MEDTRONIC

Set forth below are the names and ages of current Section 16(b) executive officers of Medtronic, Inc., as well as information regarding their positions with Medtronic, their periods of service in these capacities, and their business experiences. There are no family relationships among any of the officers named, nor is there any arrangement or understanding pursuant to which any person was selected as an officer.

Omar Ishrak, age 58, has been Chairman and Chief Executive Officer of Medtronic since June 2011. Prior to joining Medtronic, Mr. Ishrak served as President and Chief Executive Officer of GE Healthcare Systems, a division of GE Healthcare, from 2009 to 2011. Before that, Mr. Ishrak was President and Chief Executive Officer of GE Healthcare Clinical Systems from 2005 to 2008 and President and Chief Executive Officer of GE Healthcare Ultrasound and BMD from 1995 to 2004.

Michael J. Coyle, age 51, has been Executive Vice President and Group President, Cardiac and Vascular Group since December 2009. Prior to that, he served as President of the Cardiac Rhythm Management division at St. Jude from 2001 to 2007, and prior positions included serving St. Jude as President of the company s Daig Catheter division and numerous leadership positions at Eli Lilly & Company.

Gary L. Ellis, age 57, has been Executive Vice President and Chief Financial Officer since April 2014. Prior to that, he was Senior Vice President and Chief Financial Officer from May 2005 to April 2014; Vice President, Corporate Controller and Treasurer from October 1999 to May 2005 and Vice President and Corporate Controller from August 1994 to October 1999. Mr. Ellis joined Medtronic in 1989 as Assistant Corporate Controller and was promoted to Vice President of Finance for Medtronic Europe in 1992, until being named as Corporate Controller in 1994. Mr. Ellis is a member of the board of directors of The Toro Company and past chairman of the American Heart Association.

Richard Kuntz, M.D., age 57, has been Senior Vice President and Chief Scientific, Clinical and Regulatory Officer since August 2009. Prior to that, he was Senior Vice President and President, Neuromodulation from October 2005 to August 2009; and prior to that, he was an interventional cardiologist and Chief of the Division of Clinical Biometrics at Brigham and Women s Hospital and Associate Professor of Medicine and Chief Scientific Officer of the Harvard Clinical Research Institute. Mr. Kuntz is a member of the board of directors of Tengion, Inc.

Hooman C. Hakami, age 44, joined Medtronic in June 2014 as Executive Vice President and President, Diabetes. Prior to joining Medtronic, he was President and Chief Executive Officer of Detection and Guidance Solutions at GE Healthcare from April 2012 to May 2014. Prior to that, he served as President and Chief Executive Officer of Interventional Systems from July 2009 to April 2012; Global Business Transformation leader for GE Healthcare from December 2008 to July 2009; Vice President and General Manager, Global Ultrasound Services from June 2004 to December 2008. Mr. Hakami started his career with GE and has held the following financial roles: Chief Financial Officer for the Global Ultrasound division from 2001 to 2004; Chief Financial Officer for Clinical and Multi-vendor Services from 1999 to 2001; as well as various finance roles at GE Capital from 1994 to 1999; GE s Aerospace Division from 1992 to 1994 and GE Power Systems from 1991 to 1992.

Bradley E. Lerman, age 57, joined Medtronic in May 2014 as Senior Vice President, General Counsel and Corporate Secretary. Prior to joining Medtronic, he was Executive Vice President, General Counsel, and Corporate Secretary at Federal National Mortgage Association (Fannie Mae) from October 2012 to May 2014; Senior Vice President and Chief Litigation Counsel at Pfizer Inc. from January 2009 to September 2012; Partner at Winston & Strawn from August 1998 to January 2009; partner at Kirkland & Ellis from March 1996 to July 1998; Associate Independent Counsel from October 1994 to March 1996; and Assistant U.S. Attorney in the Northern District of Illinois from

February 1986 to September 1994.

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Geoffrey S. Martha, age 44, has been Senior Vice President and Chief Integration Officer since June 2014. Prior to that, he was Senior Vice President of Strategy and Business Development from August 2011 to June 2014. Prior to joining Medtronic, he served as Managing Director of Business Development at GE Healthcare from April 2007 to July 2011; General Manager for GE Capital Technology Finance Services from November 2003 to March 2007; Senior Vice President, Business Development for GE Capital Vendor Financial Services from February 2002 to October 2003; General Manager for GE Capital Colonial Pacific Leasing from February 2001 to January 2002; and Vice President, Business Development for Potomac Federal, the GE Capital federal financing investment bank from May 1998 to January 2001.

Christopher J. O Connell, age 47, has been Executive Vice President and Group President, Restorative Therapies Group since August 2009. Prior to that, he was Senior Vice President and President, Diabetes from October 2006 to August 2009; President of Medtronic s Emergency Response Systems division from May 2005 to October 2006; and Vice President of Sales and Marketing of Medtronic s Cardiac Rhythm Disease Management division from November 2001 to May 2005. Mr. O Connell has served in various management positions since joining the Company in 1994.

Carol A. Surface, age 48, has been Senior Vice President and Chief Human Resources Officer at Medtronic since September 2013. Prior to that, she was the Executive Vice President and Chief Human Resources Officer at Best Buy Co., Inc. from March 2010 to September 2013, and held a series of HR leadership roles at PepsiCo Inc., from May 2000 to March 2010.

Robert ten Hoedt, age 53, has been Executive Vice President and President, EMEAC since May 2014. Prior to that, he was Senior Vice President and President, EMEA and Canada from 2009 to 2014; Vice President CardioVascular Europe and Central Asia from 2006 to 2009; Vice President and General Manager, Vitatron from 1999 to 2006; Gastro-Uro leader from 1994 to 1999; and Marketing Manager, Neurological from 1991 to 1994.

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COMPENSATION OF MEDTRONIC S NON-EMPLOYEE DIRECTORS

As used in this section, references to the company, we, us or our refer to Medtronic (and not, for the avoidance of doubt, to Covidien or New Medtronic).

Director Compensation

The Director Compensation table reflects all compensation awarded to, earned by or paid to Medtronic s non-employee directors during fiscal year 2014. No additional compensation was provided to Mr. Ishrak for his service as a director on the Board.

Non-Employee Director	Fees Earned or Paid in Cash[1]	Stock Awards	Total
Richard H. Anderson	$ 103,516	$ 140,012	$ 243,528
Scott C. Donnelly[2]	$ 65,714	$ 115,052	$ 180,766
Victor J. Dzau	$ 80,000	$ 140,012	$ 220,012
Shirley Ann Jackson	$ 99,000	$ 140,012	$ 239,012
Michael O. Leavitt	$ 83,379	$ 140,012	$ 223,391
James T. Lenehan	$ 90,000	$ 140,012	$ 230,012
Denise M. O Leary	$ 80,000	$ 140,012	$ 220,012
Kendall J. Powell	$ 101,484	$ 140,012	$ 241,496
Robert C. Pozen	$ 95,000	$ 140,012	$ 235,012
Preetha Reddy[3]	$ 60,000	$ 105,009	$ 165,009
Jack Schuler[4]	$ 27,555	$ 45,409	$ 72,964

(1) These numbers reflect pro-rata payments as a result of changes in committee assignments during the fiscal year.
(2) Mr. Donnelly s compensation was pro-rated as a result of his appointment to the Board effective July 2013.
(3) Ms. Reddy s compensation was reduced by 25% due to her attendance of less than 75% of applicable meetings during the fiscal year.
(4) Mr. Schuler retired from the Board effective August 22, 2013.

Elizabeth G. Nabel, M.D., was appointed to the Medtronic Board on September 16, 2014, which was during fiscal year 2015.

Fees Earned or Paid in Cash.

The fees earned or paid in cash column represents the amount of annual retainer and annual cash stipend for Board and committee service (prorated for partial year s service). For fiscal year 2014, the Board s annual cash retainer was $80,000.

In addition, the Chairs of each of the Nominating and Corporate Governance, Compensation, Finance and Quality and Technology Committees received an annual cash stipend of $10,000. The Chair of the Audit Committee received a cash stipend of $19,000, while all non-chair members of the Audit Committee received an annual cash stipend of $5,000. Finally, the Lead Director received an annual cash stipend of $20,000.

The annual cash retainer, annual cash stipend and special committee fees are paid in two installments in the middle and at the end of a fiscal year. The annual cash retainer and annual cash stipend are reduced by 25% if a non-employee director does not attend at least 75% of the total meetings of the Board and Board committees on which such director served during the relevant plan year.

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Stock Awards.

Directors are granted deferred stock units on the first business day of the fiscal year in an amount equal to $140,000 (on a pro-rata basis for participants who are directors for less than the entire preceding plan year and reduced by 25% for those directors who failed to attend at least 75% of the applicable meetings during such fiscal year) divided by the fair market value of a share of Medtronic common stock on the date of grant. Dividends paid on Medtronic common stock are credited to a director s stock unit account in the form of additional stock units. The balance in a director s stock unit account will be distributed to the director in the form of shares of Medtronic common stock upon resignation or retirement from the Board in a single distribution or, at the director s option, in five equal annual distributions. The stock awards column represents aggregate grant date fair value of the deferred stock units granted in the respective fiscal year as computed in accordance with Financial Accounting Standards Board (FASB) ASC Topic 718, Compensation Stock Compensation. Stock Holdings. Non-employee directors held the following shares of restricted stock, stock options, and deferred stock units as of April 25, 2014:

Non-Employee Director	Restricted Stock	Stock Options	Deferred Stock Units
Richard H. Anderson		20,043	23,711
Scott C. Donnelly		0	0
Victor J. Dzau		9,636	15,827
Shirley Ann Jackson		8,336	24,528
Michael O. Leavitt		0	4,553
James T. Lenehan		10,471	17,791
Denise M. O Leary		20,043	25,761
Kendall J. Powell		10,061	16,954
Robert C. Pozen[(1)]		4,484	21,271
Preetha Reddy		0	1,826

(1) Does not include 6,714 stock options transferred to adult children.

To align directors interests more closely with those of shareholders, the Nominating and Corporate Governance Committee approved the Medtronic, Inc. Stock Ownership and Retention Guidelines pursuant to which non-employee directors are expected to own stock of Medtronic in an amount equal to five times the annual Board retainer fees. Until the ownership guideline is met, the directors must retain 75% of after-tax Medtronic shares received through settlement of equity compensation awards. Once the guideline is met, the directors must retain 75% of after tax shares for one year following settlement of equity compensation awards. For stock options, net after-tax profit shares are those shares remaining after payment of the option s exercise price and income taxes. For share issuances, net gain shares are those remaining after payment of income taxes. Shares retained may be sold on the later of one year after receipt of the shares or until the ownership guidelines are met. In the case of retirement or termination, the shares may be sold after the shorter of the remaining retention period or one year following retirement or termination, as applicable. As of April 25, 2014, all directors were in compliance with the stock ownership and retention policy; however, due to their more recent appointments, Mr. Donnelly and Ms. Reddy are continuing to make progress towards the required ownership guidelines.

Deferrals

Directors may defer all or a portion of their cash compensation through participation in the Medtronic Capital Accumulation Plan Deferral Program, a nonqualified deferred compensation plan designed to allow participants to make contributions of their compensation before taxes are withheld, and to earn returns or incur losses on those contributions based upon allocations of their balances to one or more investment alternatives, which are also investment alternatives that Medtronic offers its employees through its 401(k) Plan.

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Complaint Procedure; Communications with Directors

The Sarbanes-Oxley Act of 2002 requires companies to maintain procedures to receive, retain and treat complaints received regarding accounting, internal accounting controls or auditing matters and to allow for the confidential and anonymous submission by employees of concerns regarding questionable accounting or auditing matters. Medtronic currently has such procedures in place. Medtronic s 24-hour, toll-free confidential compliance line is available for the submission of concerns regarding accounting, internal controls or auditing matters. Shareholders may also communicate with Medtronic s independent directors via e-mail at **independentdirectors@medtronic.com**. Medtronic s Lead Director may be contacted via e-mail at **leaddirector@medtronic.com**. Communications received from shareholders may be forwarded directly to Board members as part of the materials sent before the next regularly scheduled Board meeting, although the Board has authorized management, in its discretion, to forward communications on a more expedited basis if circumstances warrant or to exclude a communication if it is illegal, unduly hostile or threatening or otherwise inappropriate. Advertisements, solicitations for periodical or other subscriptions and other similar communications generally will not be forwarded to the directors.

Our Codes of Conduct

All Medtronic employees, including Medtronic s Chief Executive Officer and other senior executives, are required to comply with Medtronic s long-standing Code of Conduct to help ensure that Medtronic s business is conducted in accordance with the highest standards of ethical behavior. Medtronic s Code of Conduct covers all areas of professional conduct, including customer relationships, conflicts of interest, insider trading, intellectual property and confidential information, as well as requiring strict adherence to all laws and regulations applicable to Medtronic s business. Employees are required to bring any violations and suspected violations of the Code of Conduct to the attention of Medtronic, through management or Medtronic s legal counsel or by using Medtronic s confidential compliance line. Medtronic s Code of Ethics for Senior Financial Officers, which is a part of the Code of Conduct, includes certain specific policies applicable to Medtronic s Chief Executive Officer, Chief Financial Officer, Treasurer and Controller and to other senior financial officers designated from time to time by Medtronic s Chief Executive Officer. These policies relate to internal controls, the public disclosures of Medtronic, violations of the securities or other laws, rules or regulations and conflicts of interest. The members of the Board of Directors are subject to a Code of Business Conduct and Ethics relating to director responsibilities, conflicts of interest, strict adherence to applicable laws and regulations and promotion of ethical behavior.

Our codes of conduct are published on Medtronic s website, at **www.medtronic.com** under the **Corporate Governance** caption in the **Investors** section, and are available in print to any shareholder who requests them. Medtronic intends to disclose future amendments to, or waivers for directors and executive officers of, Medtronic s codes of conduct on Medtronic s website promptly following the date of such amendment or waiver.

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MEDTRONIC S COMPENSATION DISCUSSION AND ANALYSIS

As used in this section, references to the company, the Company, we, us or our refer to Medtronic (and not, for the avoidance of doubt, to Covidien or New Medtronic).

Overview

Medtronic s Compensation Discussion and Analysis (CD&A) provides information about Medtronic s business environment, executive compensation philosophy, and the components of its compensation programs for the Named Executive Officers (NEOs) noted below. This information helps readers better understand the Summary Compensation Table disclosure that follows after the CD&A.

Fiscal Year 2014 Named Executive Officers

Omar Ishrak	Chairman and Chief Executive Officer
Christopher J. O Connell	Executive Vice President and President, Restorative Therapies Group
Michael J. Coyle	Executive Vice President and President, Cardiac and Vascular Group
Gary L. Ellis	Executive Vice President and Chief Financial Officer
Carol A. Surface	Senior Vice President and Chief Human Resources Officer

CD&A Executive Summary

Medtronic Business Overview

Medtronic is the world s largest medical technology company, offering an unprecedented breadth and depth of innovative therapies to fulfill Medtronic s Mission of alleviating pain, restoring health, and extending life. Last year, more than 10 million people benefited from Medtronic s medical therapies, which treat cardiac and vascular diseases, diabetes, and neurological and musculoskeletal conditions.

With a global reach that extends to more than 140 countries, Medtronic s Leadership must have a deep understanding of many universal healthcare challenges. Leaders leverage Medtronic s experience, extensive partnerships, and the passion of more than 49,000 employees (including full-time equivalent employees) to help transform healthcare worldwide by improving outcomes, expanding access, and enhancing value.

Executive Compensation Philosophy

Our executive compensation programs aim to attract and retain talented executives through competitive pay and benefits as well as aligning compensation with Company performance through a strong pay for performance approach.

We attract and retain talented executives by providing market competitive compensation consisting of base salary, target annual cash incentives, and target long-term cash and equity incentives, which Medtronic refers to as target total direct compensation (TTDC). Medtronic couples TTDC with comprehensive benefits to support retirement, health and wellness, and other life events. Medtronic s Compensation Committee benchmarks compensation with a special focus on a select group of companies that best represent Medtronic s competitive talent market.

We emphasize pay for performance by basing least 75% of TTDC on short-term and long-term financial incentives with a heavy emphasis on long-term performance.

The goals used for both short-term and long-term incentives align executives with shareholder goals by using annual and three-year performance measures that drive shareholder value. Short-term and long-term incentive goals are derived from Medtronic s Board-approved annual operating plan and Board-approved long-term strategic plan, respectively.

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We also emphasize a culture of quality through executives annual incentive plan. Payouts are reduced if a quality compliance performance threshold is not achieved. The modifier cannot increase payouts under the annual incentive plan. For fiscal year 2014, the quality modifier was based on reductions in U.S. FDA inspection observations and preventing warning letters; and is designed not to impede proactive quality actions such as product recalls and complaint handling procedures.

The members of the Compensation Committee are all independent directors, and they work closely with an independent outside compensation consulting firm, Frederic W. Cook & Co., Inc. (Independent Consultant), to ensure that they approach executive compensation planning with rigor and independence. The Independent Consultant confirms that Medtronic has a competitive, pay for performance compensation program with no problematic pay practices.

Overview of Executive Compensation Components

The following table summarizes the components and approximate weighting of TTDC for Medtronic s NEOs:

Component	Purpose	Basic Design
Base Salary **Weight:** **Up to 23%**	Market competitive cash compensation	Targeted at the median of executive compensation comparison group
Annual Incentive Plan (Cash) **Weight:** **Up to 19%**	Pay for performance against annual operating plan goals	Targeted at the median of comparison group with actual pay between 0% - 200% of target No minimum guaranteed payout Actual payout based on performance against three equally weighted annual performance goals approved by the Board of Directors: Revenue Growth EPS Growth

		Cash Flow
Long-Term Incentive Plan		
Restricted Stock Units	Stock Ownership and retention component	Targeted at the median of executive compensation comparison group
Weight:		
19% or Greater		Granted annually, vest 100% on 3rd anniversary of grant date
		Vesting is dependent on achieving a three-year EPS cumulative compound annual growth threshold
		Subject to clawback and forfeiture policy
		Subject to stock ownership policy

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Component	Purpose	Basic Design
Stock Options	Component to align pay for performance with shareholder value creation	Targeted at the median of executive compensation comparison group
Weight:		
19% or Greater		Granted annually, vest 25% per year starting on 1st anniversary of grant date
		Subject to clawback and forfeiture policy
		Subject to stock ownership policy
Long-Term	Component to align a portion of cash compensation to longer-term strategic financial goals	Targeted at the median of comparison group with actual paid between 0%-200% of target
Performance Plan		
		Granted annually
(Cash)		
		Overlapping three fiscal year performance periods
Weight:		
19% or Greater		
		Goals set at the start of each performance period
		No minimum guaranteed payout
		Actual payout based on performance against two equally weighted, Board-approved long-term goals:

		Cumulative Revenue Growth
		Return on Invested Capital
Benefits	Provide executives with market competitive benefits to support health, retirement, and other life events	Retirement Plan
		Supplemental Retirement and Deferred Compensation Plans
		Health/Wellness Plan
		Life and Disability Plan
		Same programs offered to broad based employee population with the exception of an Executive Physical Exam
Perquisites	$40,000 for CEO	Paid annually
(Cash)	$24,000 for other NEOs	Modest perquisite to cover expenses such as financial and tax planning, memberships, etc.
		No tax gross-up

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Important Notes about Executive Compensation Components

We maintain the following compensation practices, which demonstrate Medtronic s commitment to strong corporate governance:

Change-in-Control Policy: Compensation and benefits under Medtronic s Change-in-Control (CIC) policy, which also includes equity awards that are replaced in connection with a change in control, are not triggered solely by a CIC event (single-trigger). The compensation and benefits only apply in the event of a CIC when a participant is involuntarily terminated, without cause, or where a participant terminates employment for good reason, within a limited time period following the CIC (double trigger). Medtronic s CIC policy also does not provide for any golden parachute excise tax gross-up;

Stock Ownership Policy: Medtronic s policy requires the CEO to maintain ownership of Medtronic stock equal to six (6) times annual salary and other NEOs to maintain Medtronic stock equal to three (3) times annual salary. Until the ownership guideline is met, the CEO must retain 75% of after-tax Medtronic shares received through settlement of equity compensation awards and other NEOs must retain 50% of such shares. Once the guideline is met, executives must retain the same percentages of after-tax shares for one year following settlement of equity compensation awards. As of July 11, 2014, all NEOs are in compliance with the stock ownership and retention guidelines.

Forfeiture Policy: Medtronic s Stock Award and Incentive Plan provides that stock awards are forfeited when an NEO terminates employment with Medtronic for any reason other than retirement, disability, death, or termination under specific circumstances related to a CIC;

Clawback Policy: Compensation policies include significant penalties for misconduct including a broad clawback policy that allows the Company to recapture equity compensation and other incentive awards paid to an executive who engages in misconduct. Misconduct includes, among other things, a violation of the Medtronic Code of Conduct, other fraudulent or illegal activity, violation of post-termination non-competition covenants, unauthorized disclosure of confidential information, and violation of business ethics or other business policies of Medtronic; and

Securities Trading Policy: NEOs (along with others) are prohibited from engaging in short sales of Medtronic securities (including share sales against the box) or engaging in purchases or sales of puts, calls or other derivative securities based on Medtronic securities. The policy also prohibits Medtronic s NEOs from purchasing Medtronic securities on margin, borrowing against Medtronic securities held in a margin account or pledging Medtronic securities as collateral for a loan (unless the officers can clearly demonstrate the financial capacity to repay the loan without resorting to the pledged securities).

Consideration of Say-on-Pay and Say-on-Frequency Voting Results

The Compensation Committee reviewed shareholder and other stakeholder feedback along with the results of the 2013 shareholder say-on-pay vote in making compensation decisions during fiscal year 2014. Efforts to gather stakeholder feedback included periodic outreach to Medtronic s largest shareholders. Through these discussions Medtronic has

heard positive feedback about its executive compensation philosophy and the Proxy disclosure, and there were no concerns about pay practices. Based on this feedback and the 97% say-on-pay approval by shareholders in 2013, the Compensation Committee believes that shareholders support Medtronic s compensation policies and practices. Therefore, the Compensation Committee continued to apply the same principles in determining fiscal year 2014 compensation actions.

The Compensation Committee and the Board continues to follow the results of the shareholder say-on-frequency vote at Medtronic s 2011 annual meeting of shareholders. Because voters holding a substantial majority of shares expressed a preference for having a say-on-pay vote every year, the Board decided to hold annual say-on-pay votes. Therefore, Medtronic s next say-on-pay vote will be held at Medtronic s 2014 annual meeting of shareholders. Medtronic welcomes the input of Medtronic s shareholders on Medtronic s compensation policies and compensation program at any time.

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FY2014 Business Results

The company reported fiscal year 2014 revenue of $17.005 billion, an increase of 4 percent on a constant currency basis after adjusting for a $175 million negative foreign currency impact or 3 percent as reported. As reported, fiscal year 2014 net earnings were $3.065 billion or $3.02 per diluted share, a decrease of 12 percent and 10 percent, respectively. Fiscal year 2014 non-GAAP net earnings and diluted earnings per share were $3.868 billion and $3.82, flat and an increase of 2 percent, respectively. The GAAP to non-GAAP reconciliation can be found on page 265 of this joint proxy statement/prospectus.

Additionally, Medtronic s annual incentive plan includes a quality compliance threshold that is intended to align management at all levels of the company with the highest standards of quality. The threshold is set to drive continuous improvement to the company s already high standards for quality and for FY14, the company missed the threshold by a small amount.

In light of these business results, Medtronic s annual incentive plan paid NEO s at 103.53% of their target award and the long-term performance plan paid at 91.12% of their target award. The Annual Incentive Plan percent of target payout includes a five (5) percentage point reduction for not achieving the minimum Quality Compliance Threshold. The chart below shows the relationship between actual performance as a percent of plan performance and actual award payout as a percent of target award payout.

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Detailed calculations for the Annual Incentive Plan and the Long-Term performance Plan can be found on pages 263 and 264 of this joint proxy statement/prospectus. In addition to ensuring that the annual and long-term cash incentive plan payouts align with performance, the Compensation Committee evaluates how the amount of annual cash compensation aligns with Medtronic s performance when ranked against the executive compensation comparator companies. For purposes of this analysis, annual cash compensation represents the actual base salaries and annual bonuses paid for the last completed fiscal year. As shown in the table below for fiscal year 2014, Medtronic s composite ranking of size, profitability, growth, and shareholder return (each component equally weighted) is at the 60th percentile. Medtronic s ranking of total annual compensation for the CEO, CFO, and the average for other NEOs is lower than its performance ranking.

One-Year Average Size and Performance Composite Rank				Total Annual Compensation (TAC) Rank ($000)							
				CEO			CFO			Other Named Executive Officers	
Size	Profitability	Growth	Shareholder Return								
Johnson & Johnson (JNJ)	GILD	BCR	BSX	BMY	$ 5,486	*150%*	PFE	$ 2,894	*144%*	AMGN	$ 2,481	*203%*
Pfizer (PFE)	PFE	GILD	STJ	PFE	$ 5,176	*129%*	AMGN	$ 2,420	*187%*	PFE	$ 2,125	*115%*
Merck (MRK)	JNJ	JNJ	GILD	GILD	$ 5,113	*150%*	LLY	$ 2,266	*137%*	GILD	$ 2,091	*150%*
3M (MMM)	BCR	AMGN	AGN	AMGN	$ 5,089	*187%*	JNJ	$ 2,117	*120%*	JNJ	$ 1,785	*122%*
Abbott Laboratories (ABT)	MMM	MMM	BCR	ABT	$ 5,050	*104%*	BMY	$ 2,029	*125%*	LLY	$ 1,724	*137%*
Eli Lilly (LLY)	LLY	BMY	MMM	LLY	$ 4,377	*137%*	ABT	$ 1,882	*85%*	MRK	$ 1,710	*94%*
Amgen (AMGN)	AMGN	AGN	BMY	JNJ	$ 4,334	*120%*	MRK	$ 1,600	*65%*	BAX	$ 1,650	*118%*
Medtronic (MDT)	**MDT**	BAX	MRK	BAX	$ 4,219	*113%*	BAX	$ 1,578	*134%*	BMY	$ 1,570	*122%*
Bristol-Myers Squibb (BMY)	BMY	PFE	**MDT**	MMM	$ 3,781	*117%*	MMM	$ 1,577	*117%*	STJ	$ 1,481	*110%*
Gilead Sciences (GILD)	BAX	**MDT**	ZMH	**MDT**	**$ 3,575**	***104%***	GILD	$ 1,534	*150%*	MMM	$ 1,394	*135%*
Baxter International (BAX)	AGN	CFN	COV	AGN	$ 3,188	*99%*	**MDT**	**$ 1,498**	***104%***	ABT	$ 1,322	*105%*
Covidien (COV)	ZMH	ZMH	JNJ	MRK	$ 3,120	*72%*	COV	$ 1,458	*101%*	**MDT**	**$ 1,317**	***104%***
Stryker (SYK)	COV	LLY	BDX	COV	$ 2,817	*101%*	BSX	$ 1,169	*115%*	BCR	$ 1,282	*172%*
Becton Dickinson (BDX)	BDX	SYK	SYK	BCR	$ 2,543	*98%*	AGN	$ 1,123	*100%*	BDX	$ 1,225	*107%*

Allergan (AGN)	STJ	STJ	CFN	STJ	$ 2,476	*114%*	BCR	$ 957	*97%*	AGN	$ 1,068	*103%*
Boston Scientific (BSX)	ABT	COV	PFE	SYK	$ 2,365	*97%*	ZMH	$ 875	*83%*	COV	$ 1,059	*109%*
St. Jude Medical (STJ)	MRK	MRK	LLY	BDX	$ 2,155	*109%*	CFN	$ 832	*66%*	BSX	$ 1,001	*113%*
Zimmer Holdings (ZMH)	SYK	BDX	AMGN	BSX	$ 2,142	*115%*	BDX	$ 806	*107%*	ZMH	$ 944	*93%*
CareFusion (CFN)	CFN	BSX	BAX	CFN	$ 2,099	*66%*	SYK	$ 773	*66%*	SYK	$ 901	*96%*
C.R. Bard (BCR)	BSX	ABT	ABT	ZMH	$ 1,834	*82%*	STJ	$ 749	*114%*	CFN	$ 735	*69%*
MDT Rank	**MDT Rank**	**MDT Rank**	**MDT Rank**		**MDT Rank**			**MDT Rank**			**MDT Rank**	
= 67%	**= 61%**	**= 54%**	**= 59%**		**= 54%**			**= 47%**			**= 44%**	
	Medtronic Composite Rank = 60%							**Medtronic Composite Rank = 48%**				

Medtronic Average Other Named Executive Officers represent Messrs. Coyle and O Connell; Ms. Surface excluded because not a Named Executive Officer for the entire fiscal year 2014

Total Annual Compensation (TAC) consists of actual base salary paid and annual bonus earned for the last completed fiscal year as reported in the Summary Compensation Table

Summary of Fiscal Year 2014 Compensation Actions

Medtronic uses the same philosophy and process for all employees to align pay with performance. Base salary is positioned within a market median range to ensure competitive compensation based on individual employee factors such as performance, potential, expertise, and experience. The majority of employees receive base salary increases that are aligned with the rate of increase in their market median range. Higher performing employees are eligible to receive larger increases to position salary higher in the market range.

Incentive plan target payouts are positioned at the median of the market with the expectation that actual incentive payouts will appropriately reflect performance against the incentive plan goals.

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The following summarizes the NEO compensation actions for fiscal year 2014, based on the competitive market median compensation data, company performance, and individual performance for fiscal year 2013:

FY2014 Target Direct Compensation Changes:

NEO	FY14 Salary Increase	FY13 MIP Target	FY14 MIP Target	FY13 LTIP Target	FY14 LTIP Target
Omar Ishrak	4%	140%	140%	$ 8.5M	$ 9.2M
Gary L. Ellis	8%	90%	90%	$ 2.4M	$ 2.5M
Christopher J. O Connell	7%	85%	85%	$ 2.2M	$ 2.5M
Michael J. Coyle	8%	85%	85%	$ 2.2M	$ 2.3M
Carol A. Surface	N/A	N/A	85%	N/A	$ 1.4M

MIP = Annual performance-based plan award granted under the Medtronic, Inc. Executive Incentive Plan.

Appointment of Chief Human Resources Officer:

Carol Surface, Ph.D. joined Medtronic in October in the role of Chief Human Resources Officer. Ms. Surface joined from Best Buy Co., Inc. where she held the Chief Human Resources Officer position. The Compensation Committee, advised by the Independent Consultant, reviewed competitive market data to establish Ms. Surface s compensation package. In addition, one-time new hire components were provided to offset outstanding, unpaid incentive awards at Ms. Surface s previous employer. The following table summarizes the material components of Ms. Surface s FY14 compensation:

Component	Amount	Comment
Base Salary	$ 550,000	Market Median
Annual Incentive Target	85% of Base Salary	Market Median
Long-Term Incentive Target	$ 1,425,000	Market Median
One-Time Restricted Stock Unit Grant	$ 3,325,000	Offset lost equity
One-Time Cash Sign-on Bonus	$ 475,000	Offset lost annual incentive

CEO Compensation Pay for Performance Analysis for Fiscal Year 2014

The chart below shows the relationship between Total Shareholder Return (TSR) and CEO total compensation as reported in the Summary Compensation Table on page 271. The information shows that past and present CEO compensation for the last completed five fiscal years was aligned to Medtronic s TSR over that same time period as well as compared to the total compensation median from Medtronic s Executive Compensation Comparator Group.

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Excluding the effect of one-time, sign-on cash and equity awards for Mr. Ishrak in FY2012, the chart shows that CEO total compensation remained relatively flat from FY2010 through FY2011, in line with a flat TSR over the same time period, decreased in FY2012 in line with a decrease in TSR, and increased from FY2013 through FY2014, in line with the increase in TSR over the same time period. From FY2010 through FY2013, CEO total compensation was conservatively positioned relative to the median total compensation for Medtronic s executive compensation comparator group, and in FY2014 CEO total compensation was positioned at the median of this group. The one-time, sign-on cash and equity awards for Mr. Ishrak in FY2012 represent a common approach to offset the value of forfeited compensation and benefit value at Mr. Ishrak s former employer and do not represent components of ongoing total compensation.

The following section provides more detailed information about Medtronic s executive compensation for fiscal year 2014.

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CD&A DETAILED INFORMATION

This section of the CD&A provides details about Medtronic s executive compensation program design, which was summarized in the preceding Executive Summary section. The section begins with two charts showing the mix of TTDC components, one for the CEO and one for the average of the other NEOs, followed by detailed descriptions of each component with relevant fiscal year 2014 information:

Component Mix of Target Total Direct Compensation

Fiscal Year 2014 Compensation and Incentive Plan Design

Fiscal Year 2014 Annual Base Salaries

Our philosophy is to maintain base salary within a competitive median range. The range allows for pay decisions to take into account individual factors such as performance, potential, expertise, and experience. This is the same approach that is used for all employees.

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To establish the median range, the Independent Consultant reporting to the Compensation Committee analyzes proxy information from the executive compensation comparator companies approved by the Committee as the best companies to benchmark competitive pay for Medtronic executives. The analysis identifies the median range using a regression formula to adjust for compensation differences attributed to company size. The Consultant presents to the Committee the analysis that identifies the median base salary range for the CEO and each NEO. Using this market data, the Committee approves base pay increases to maintain base salary within the median range, again, taking into account individual factors such as performance, potential, expertise, and experience.

The table below shows the fiscal year 2014 base salary increases for the CEO and each NEO.

Name	FY2013 Salary (000 s)	FY2014 Salary (000 s)	% Increase
Omar Ishrak	$ 1,404	$ 1,460	4%
Gary L. Ellis	$ 717	$ 776	8%
Christopher J. O Connell	$ 631	$ 676	7%
Michael J. Coyle	$ 671	$ 726	8%
Carol A. Surface	$ N/A	$ 550	N/A

Fiscal Year 2014 Annual Incentive Target Pay

Using the same analytical approach described for the annual base salary, the Independent Consultant to the Compensation Committee identifies the median range for annual incentive target pay for the CEO and each NEO, which is set as a percentage of annual base salary. For fiscal year 2014, Medtronic did not make changes to CEO or NEO target annual incentive pay that was established in fiscal year 2013. The table below shows CEO and NEO target annual incentive pay as a percentage of base salary.

Name	FY2013 MIP Target	FY2014 MIP Target	% Increase
Omar Ishrak	140%	140%	0%
Gary L. Ellis	90%	90%	0%
Christopher J. O Connell	85%	85%	0%
Michael J. Coyle	85%	85%	0%
Carol A. Surface	N/A	85%	N/A

Fiscal Year 2014 Annual Incentive Plan Design

Our incentive plan design was established following an extensive review completed by the Compensation Committee, Independent Consultant, and Medtronic management. The review considered shareholder feedback, competitive benchmarking, and Medtronic s short-term and long-term strategic imperatives. The following details the key design elements:

Payout range aligned with market practice. Payout for each incentive plan component starts at 50% of target incentive and is paid up to a maximum of 200% of target incentive.

Results below the minimum performance level for a component pay 0% of target incentive for that component. There is no minimum guaranteed payout.

Diluted Earnings Per Share performance is a total plan payout qualifier. Results below the minimum performance level for the diluted EPS component result is no plan payout regardless of results for the other components.

Target incentive is paid at 100% achievement of three financial targets. As detailed in the next section, these three targets come directly from the Board-approved Annual Operating Plan and represent the best financial measures of annual executive performance expectations.

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Fiscal Year 2014 Annual Incentive Plan Performance Measures: At the Compensation Committee s June 2013 meeting, the Committee approved the targets for each of the three equally weighted performance measures, which come directly from Medtronic s Board-approved Annual Operating Plan.

The following provides details about the performance measures, including a comparison to Medtronic s executive compensation comparator company median (if available):

Measure	Rationale	Performance Target	Weight
Revenue Growth (Constant Currency)	Top line growth continues to be a key Company strategy, reflecting market development, market penetration, and market share performance	3.5% growth over Prior Year	1/3 of Payout
Diluted Earnings Per Share Growth (non-GAAP)	Earnings both from operating efficiency and financial management is a key driver of returns to shareholders	$3.84 Per Share; 3.8% over Prior Year	1/3 of Payout
Cash-Flow Indicator	Cash flow generated from operations plus management of short-term receivables, inventory, and payables is a key driver of Medtronic s ability to re-invest and provide returns to shareholders	$3.802 Billion	1/3 of Payout
Quality Compliance Modifier	Maintain high quality system compliance measured through U.S. FDA inspection results	Maximum Score of 25 Points	Reduces payout by five (5) percentage points

For purposes of the annual incentive calculation, diluted earnings per share refers to non-GAAP diluted earnings per share, a measure which includes adjustments for certain charges. A reconciliation of the GAAP to non-GAAP diluted earnings per share is included in the Adjustments of EPS Results applicable to Short and Long-Term Incentives section on page 265.

Revenue Growth is defined as the annual growth rate in revenue excluding the effects of foreign exchange rates. The result is expressed as a percentage growth rate.

Cash Flow Indicator is defined as profit after tax exclusive of special charges, plus or minus changes in accounts receivable, inventories, and accounts payable. The cash flow indicator only includes changes in assets and liabilities that best reflect annual operations. This calculation excludes the effects of foreign exchange rates.

Quality Compliance Modifier Performance Threshold uses a score measured as follows:

U.S. FDA Inspections = Average Number of Findings per Inspection X 10 points

Non-Material U.S. FDA Warning Letter = 1 point per finding

Material U.S. FDA Warning Letter = 25 points

Fiscal Year 2014 Long-Term Incentive Plan (LTIP) Target Pay

Using the same analytical approach described for annual base salary and short-term incentives, the Independent Consultant identifies the median range for long-term incentive target pay for the CEO and each NEO. Target LTIP is expressed as a fixed dollar value from which the underlying shares are determined based on the market price at the close of business on the grant date.

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The target is split equally between three LTIP components; stock options, restricted stock units, and a three-year cash incentive planned called the Long-Term Performance Plan (LTPP). For example, the hypothetical target LTIP of $2,400,000 would be granted as $800,000 stock options (full-value equivalent), $800,000 restricted stock units, and $800,000 under the LTPP. Note that stock options are stated in a full-value equivalent, using a four-to-one conversion ratio for the purposes of setting the LTIP target. This value conversion ratio will differ from Medtronic s Black-Scholes grant date valuation used for accounting expense purposes under FASB ASC Topic 718.

At the June 2013 Compensation Committee meeting, LTIP targets were approved for fiscal year 2014. The following table shows the target pay for LTIP awards granted in fiscal year 2014 compared to fiscal year 2013.

Name	FY2013 LTIP Target (000 s)	FY2014 LTIP Target (000 s)	% Increase
Omar Ishrak	$ 8,450	$ 9,200	8.9%
Gary L. Ellis	$ 2,400	$ 2,500	4.2%
Christopher J. O Connell	$ 2,200	$ 2,500	13.6%
Michael J. Coyle	$ 2,200	$ 2,300	4.5%
Carol A. Surface	$ N/A	$ 1,425	N/A

Fiscal Year 2014 Long-Term Incentive Plan Components

Stock Options

Stock options are a performance-based compensation component that ties one-third of the target LTIP value to stock price appreciation and shareholder value creation. Stock options only have value when the market price exceeds the exercise price. All stock option grants have an exercise price that is equal to the Medtronic market close stock price on the date of grant. Stock options have a ten-year term and vest in equal increments of 25% each year beginning one year after the date of grant.

Restricted Stock Units (RSU)

Restricted stock units represent the second one-third of the target LTIP value that is primarily intended to deliver a market competitive level of Medtronic stock ownership. The RSU grants cliff vest (100%) on the third anniversary of the grant date. Unlike the more commonly used time-based RSUs, Medtronic s RSUs include a three-year minimum performance threshold that must be met before the RSUs vest. For fiscal year 2014 RSU grants, the performance threshold was set at an EPS cumulative compound annual growth rate cumulative CAGR of 3%. The threshold is intentionally less than Medtronic s target performance, consistent with the primary stock ownership intention of RSU grants; however, the cumulative CAGR is still a challenging performance threshold.

Long-Term Performance Plan (LTPP)

LTPP is a three-year cash incentive plan that is based on long-term measures of Company performance. Medtronic s LTPP design was established following an extensive review completed by the Compensation Committee, Independent Consultant, and Medtronic management. The review considered shareholder feedback, competitive benchmarking, and Medtronic s short-term and long-term strategic imperatives.

The primary intent is to tie the final one-third of target long-term incentive pay to longer term financial performance measures that are not influenced by variability in the stock market. LTPP pays a cash award after the end of the three

fiscal year performance period, provided a minimum level of diluted EPS is attained. A new LTPP award grant and performance period is established at the beginning of each fiscal year, as part of the LTIP award grant. Because three-year performance periods overlap, performance goals are established at the start of each performance period and, once established, do not change.

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The following details the key design elements:

Use two measures: three-year revenue growth and three-year return on invested capital (ROIC);

Align payout range with market practice. Payout for each component starts at 50% of target incentive and is paid up to a maximum of 200% of target incentive;

Performance below the minimum threshold for each component pays 0% of target;

Revenue growth aligns with expectations communicated to shareholders. Revenue growth is measured using U.S. GAAP reported results to reflect organic and acquired growth, but excludes the effects of foreign currency exchange rates;

ROIC uses non-GAAP reported results, typically excluding one-time charges but including operating results from acquisitions and divestitures to reinforce accountability for investment decisions; and

ROIC and Revenue Growth are equally weighted (50% each) so that the two measures balance each other.

Fiscal Year 2014 2016 LTPP Performance Measures and Targets

The Compensation Committee approved the LTPP performance measures and targets for fiscal year 2014 2016 at the June 2013 meeting. The following table provides detailed information about each performance measure:

Measure	Rationale	Targets	Weight
Three-year Revenue Growth	Uses a cumulative compound annual growth rate (Cumulative CAGR) over three fiscal years, which is a more rigorous measure of sustained revenue growth.	5% Cumulative CAGR	50%
ROIC	ROIC measures all components of management s responsibility to generate sustained, long-term returns on invested capital.	14% average ROIC	50%

Revenue growth is measured as a three-year cumulative compound annual growth at constant currency but otherwise including all other GAAP components. ROIC is measured as the GAAP, rolling 12-month profit after tax, excluding one-time items plus interest expense net of tax, divided by the difference of the three-year average asset base less average non-interest bearing liabilities.

Fiscal Year 2014 Annual and Long-Term Incentive Plan Payouts

Fiscal Year 2014 Annual Incentive Plan Results and Payouts

The Committee reviewed performance against the incentive plan targets at its May 2014 meeting and approved the resulting CEO and NEO annual incentive plan payout percentage and payments as follows:

Incentive Plan Payout Percentage:

Measure	Target	Result	Weight	% Payout
Revenue Growth	3.5%	3.5%	33.3%	33.50%
Earnings Per Share	$ 3.84	$ 3.82	33.3%	32.47%
Cash Flow Indicator	$ 3.802B	$ 3,908B	33.3%	42.57%
Total			**100.0%**	108.53%
Quality Compliant Modifier (Inspection Performance Score)	25 Points[(1)]	28 Points	N/A	-5.00%
Final MIP Payout Percentage				103.53%

(1) Results must be at or lower than the Target.

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Incentive Plan Payments:

Name	FY14 Payout Percent	FY14 Target Incentive[1]	FY14 Actual Award[2]
Omar Ishrak	103.53%	140%	$ 2,116,385
Gary L. Ellis	103.53%	90%	$ 723,054
Christopher J. O Connell	103.53%	85%	$ 594,883
Michael J. Coyle	103.53%	85%	$ 638,884
Carol A. Surface[3]	103.53%	85%	$ 484,003

(1) Percent of annual base salary.
(2) Annual base salary multiplied by target incentive multiplied by payout percent.
(3) Per hire agreement, results based on eligible earnings equal to Ms. Surface s full-year base salary for FY14.

Fiscal Year 2012 2014 Long-Term Performance Plan (LTPP) Payout Results: At its May 2014 meeting, the Compensation Committee certified the results for the LTPP performance period that began in fiscal year 2012 and was completed at the end of fiscal year 2014. Payments of awards for this LTPP performance period were made during the first fiscal quarter of 2015 and can be found in the Non-Equity Incentive Plan Compensation column of the 2014 Summary Compensation Table on page 271.

The table below shows the fiscal year 2012 fiscal year 2014 LTPP performance goals, results, and calculated payout.

Year	Relative Revenue Growth[1]	ROIC[2]
FY2012	4.4%	14.2%
FY2013	2.5%	14.1%
FY2014	2.5%	13.3%
Total/Average	3.1%	13.8%
Relative Revenue Percentile Rank	**44th Percentile**	**13.8%**
FY2012 FY2014 Target	**50th Percentile**	**14.0%**
Payout Level	88.89%	95.62%
Objective Weight	67%	33%
Weighted Payout Percent	**59.56%**	**31.56%**
Total Payout as a Percent of Target		**91.12%**

(1) Three-year relative revenue growth is ranked against a select peer group of 19 companies. These 19 companies include the same companies as the Executive Compensation Peer Companies except that pharmaceutical companies and companies not in the health care industry are excluded. The target performance for the three-year relative revenue growth measure is set at the 50th percentile of the comparator companies. Results are interpolated to pay the maximum award at the 75th percentile and the minimum award at the 25th percentile.

Performance below the 25th percentile results in no payout for this component. Results are calculated as a cumulative compound annual growth rate and reported in accordance with U.S. GAAP excluding the Physio-Control divestiture.

(2) Three-year average ROIC is measured against an absolute target, which is established based on Medtronic s annual operating plan (AOP) and analysis of Medtronic comparator companies.

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Adjustments of EPS Results applicable to Short and Long-Term Incentives

	Fiscal Year Ended April 25, 2014	Explanation of Non-Recurring Adjustments
Diluted EPS, as reported	**$ 3.02**	
Significant Non-Recurring Adjustments		
Special charges	0.03	After-tax charitable cash donation made to the Medtronic Foundation.
Restructuring charges, net	0.06	After-tax charges related to the fiscal year 2014 restructuring initiative, charges related to the continuation of Medtronic s fiscal year 2013 restructuring initiative partially offset by the reversal of previous restructuring charges related to Medtronic s fourth quarter fiscal year 2013 restructuring initiative.
Certain litigation charges, net	0.69	After-tax certain litigation charges, net primarily related to the global patent settlement agreement with Edwards Lifesciences Corporation, accounting charges for probable and reasonably estimable INFUSE product liability litigation, patent and Other Matters litigation, and other litigation.
Acquisition-related items	0.08	Includes impairment of long-lived assets related to the Ardian acquisition, net income related to the change in fair value of contingent consideration payments associated with acquisitions subsequent to April 29, 2009 and IPR&D impairment related to a recent acquisition in the Endovascular business.
Certain tax adjustments	(0.06)	Represents a tax benefit associated with the resolution of certain issues in the fourth quarter of fiscal year 2014 with the IRS. The years under review by the IRS were with respect to fiscal years 2009 through 2011.
Non-GAAP diluted EPS	**$ 3.82**	

Other Benefits and Perquisites

Medtronic provides broad-based benefit plans to all of its employees, including the NEOs. All employees participate in the same health care plans, and Medtronic does not provide NEOs with any different or additional benefit plans, with the exception of a required executive physical exam and a business allowance. Medtronic NEOs are required to complete a physical exam annually and, in the event that requirement exceeds regular plan coverage, the executives can receive reimbursement for up to $2,000 of the cost that exceeds the regular plan coverage. Medtronic s business allowance policy is described in detail below. The broad-based benefit plans include:

Qualified Retirement Plans

Medtronic sponsors a number of tax-qualified retirement plans for its employees. In the United States, Medtronic changed its retirement plans effective May 1, 2005 in order to provide then-current employees and employees hired after that date a choice of retirement plans. Employees hired prior to May 1, 2005 had the option of continuing in the final average pay pension plan referred to as the Medtronic Retirement Plan (MRP) or electing to participate in one of the new plans. Employees hired after that date choose to participate in one of the

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new retirement plans: the Personal Pension Account or the Personal Investment Account. The Personal Pension Account is a cash balance plan and, along with the MRP, is part of the Medtronic, Inc. Retirement Plan. The Personal Investment Account is part of Medtronic s tax-qualified 401(k) Plan. Additional details regarding these plans are provided on page 280 of this joint proxy statement/prospectus.

Supplemental Retirement Plans

The Company offers a Nonqualified Retirement Plan Supplement (NRPS) designed to provide all eligible employees, including but not limited to the NEOs, with benefits which supplement those provided under certain of the tax-qualified plans maintained by Medtronic. The NRPS is designed to restore benefits lost under the Personal Pension Account, Personal Investment Account or the Medtronic Retirement Plan due to covered compensation limits established by the Code. The NRPS also restores benefits for otherwise eligible compensation deferred into the Medtronic, Inc. Capital Accumulation Plan Deferral Program (the Capital Accumulation Plan). The NRPS provides employees with no greater benefit than they would have received under the qualified plan in which they participate were it not for the covered compensation limits and deferrals into the Capital Accumulation Plan.

Nonqualified Deferred Compensation Plan

The Company provides all vice presidents, including Medtronic s NEOs, and highly-compensated sales employees, with a market competitive nonqualified deferred compensation plan through the Capital Accumulation Plan. Medtronic s plan allows these employees to make voluntary deferrals from their base pay and incentive payments, which are then credited with gains or losses based on the performance of selected investment alternatives. These alternatives are the same as those offered in Medtronic s tax qualified 401(k) Plan for all employees. There are no Company contributions to the plan or Company subsidized returns.

Business Allowance

Medtronic does not provide any perquisites such as Company-provided automobiles, aircraft, club memberships, financial and tax advisors, etc. Medtronic provides NEOs with a market competitive business allowance. The NEOs may spend their business allowance at their discretion for expenses such as financial and tax planning, automobiles or club memberships. The business allowance is paid as taxable income, and Medtronic does not track an executive s use of his or her business allowance. The annual business allowances provided to Medtronic s NEOs in fiscal year 2014 ranged from $24,000 to $40,000. These amounts are sometimes a significant part of an expatriate s total compensation. Additionally, it is occasionally appropriate for NEOs to be accompanied during business travel by their spouses. The expenses associated with such travel, while rare, are considered taxable income. The referenced amounts are included in the All Other Compensation column of the Summary Compensation Table.

Change of Control

Compensation in a change-of-control situation is designed: (1) to protect the compensation already earned by executives and to ensure that they will be treated fairly in the event of a change of control; and (2) to help ensure the retention and dedicated attention of key executives critical to the ongoing operation of the Company. Medtronic s change-of-control policy supports these principles. Medtronic believes shareholders will be best served if the interests of Medtronic s executive officers are aligned with shareholders interests, and Medtronic believes providing change-of-control benefits should incent senior management to objectively evaluate potential mergers or transactions that may be in the best interests of shareholders. Medtronic s change-of-control agreements are discussed in more detail in the *Potential Payments Upon Termination or Change of Control* section of *Executive Compensation*. Other than Messrs. Coyle and Ishrak s agreements, Medtronic does not have individual employment contracts with

Medtronic s NEOs relating to compensation other than those associated with a change of control.

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Compensation Decision-Making Process

Role of Compensation Committee

The Compensation Committee establishes Medtronic s compensation philosophy, program design and administration rules, and is the decision-making body on all compensation matters related to Medtronic s NEOs. The Committee solicits input from an independent outside compensation consultant and relies on the consultant s advice.

Independent Compensation Consultant

The Compensation Committee has engaged Frederic W. Cook & Co., Inc., an independent outside compensation consulting firm (the Independent Consultant), to advise the Compensation Committee on all matters related to executive officer compensation. Specifically, the Independent Consultant conducts an annual competitive market analysis of total compensation for NEOs, provides relevant market data, updates on compensation trends and regulatory developments, and counsels on program designs and specific compensation decisions related to Medtronic s CEO and other executives.

In June 2013, the Compensation Committee adopted enhanced independence standards for outside consultants that mirror the NYSE listing standards. This policy established an assessment framework to confirm and report on a consultant s independence. It also requires a consultant to confirm its independent status according to the Compensation Committee s standards. The Compensation Committee reviews and confirms the independence of its outside consultants on an annual basis.

In light of the new NYSE listing standards, the Compensation Committee has considered the independence of the Independent Consultant. In connection with this process, the Compensation Committee has reviewed, among other items, a letter from the Independent Consultant addressing its independence and the members of the consulting team serving the Committee, including the following factors: (i) other services provided to Medtronic by the Independent Consultant, (ii) fees paid by Medtronic as a percentage of the Independent Consultant s total revenue, (iii) policies or procedures of the Independent Consultant that are designed to prevent conflicts of interest, (iv) any business or personal relationships between the senior advisor of the consulting team with a member of the Compensation Committee, (v) any Company stock owned by the senior advisor or any member of his immediate family, and (vi) any business or personal relationships between Medtronic s executive officers and the senior advisor. The Compensation Committee discussed these considerations and concluded that the work performed by the Independent Consultant and its senior advisor involved in the engagement did not raise any conflict of interest.

Role of Chief Executive Officer in Compensation Decisions

In making compensation decisions for executive officers reporting to the CEO, the Compensation Committee solicits the views of Medtronic s CEO and the Independent Consultant. The CEO is not present during Compensation Committee executive sessions, and does not make recommendations to the Compensation Committee, about his own compensation.

Executive Compensation Peer Companies and Competitive Market

The Compensation Committee considers relevant market pay practices when establishing executive compensation levels and evaluating compensation programs including base salary, short-term and long-term incentives. In order to ensure the competitiveness of compensation programs, the Committee has established a peer group of companies for benchmarking purposes. The identification of these companies is based on discussions with, and recommendations

from, Frederic W. Cook & Co., Inc. The selection criteria were based on companies in the health care equipment, pharmaceutical, and biotechnology industries that position Medtronic in

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the median range of the group, on average, in various measures of Company size. The following table lists Medtronic s executive compensation peer group for fiscal year 2014, including Medtronic s ranking relative to these companies based on financial data available at the time of consideration:

Company Name	Latest 4 Quarters ($Mil.) Net Revenue	Latest 4 Quarters ($Mil.) Operating Inc. (EBIT)	Latest Quarter ($Mil.) Total Assets	Latest Quarter ($Mil.) Total Equity	FYE Total Employees	12/31/2013 Market Capital.	Composite Percentile Rank
Pfizer	$ 53,027	$ 18,966	$ 175,521	$ 77,969	91,500	$ 198,515	97%
Johnson & Johnson	$ 70,515	$ 18,589	$ 126,933	$ 69,804	127,600	$ 253,416	97%
Merck	$ 44,450	$ 8,900	$ 106,419	$ 47,419	83,000	$ 146,477	87%
3M	$ 30,689	$ 6,530	$ 33,604	$ 17,796	87,677	$ 94,426	77%
Abbott Laboratories	$ 27,030	$ 4,767	$ 44,132	$ 23,696	91,000	$ 59,265	76%
Amgen	$ 18,086	$ 6,193	$ 57,073	$ 21,728	18,000	$ 86,031	68%
Medtronic	**$ 16,764**	**$ 4,936**	**$ 36,468**	**$ 18,744**	**46,659**	**$ 57,390**	67%
Eli Lilly	$ 23,262	$ 5,823	$ 33,966	$ 16,887	38,350	$ 57,459	66%
Bristol-Myers Squibb	$ 16,135	$ 2,933	$ 36,804	$ 14,726	28,000	$ 87,538	61%
Baxter International	$ 14,644	$ 3,345	$ 25,250	$ 7,749	51,000	$ 37,769	55%
Gilead Sciences	$ 10,670	$ 4,497	$ 22,468	$ 10,884	5,000	$ 115,205	50%
Covidien	$ 10,235	$ 2,259	$ 19,918	$ 9,242	38,500	$ 30,834	48%
Stryker	$ 8,891	$ 2,099	$ 14,883	$ 8,737	22,010	$ 28,434	38%
Becton Dickinson	$ 8,054	$ 1,621	$ 12,149	$ 5,043	29,979	$ 21,435	31%
Boston Scientific	$ 7,126	$ 929	$ 16,917	$ 6,563	24,000	$ 16,093	29%
Allergan	$ 6,088	$ 1,874	$ 10,145	$ 6,086	10,800	$ 33,009	26%
St. Jude Medical	$ 5,451	$ 1,441	$ 9,965	$ 4,261	15,000	$ 18,078	18%
Zimmer Holdings	$ 4,563	$ 1,349	$ 9,357	$ 6,136	9,300	$ 15,934	14%
CareFusion	$ 3,543	$ 660	$ 8,492	$ 5,402	15,000	$ 8,462	8%
C.R. Bard	$ 3,021	$ 735	$ 4,165	$ 1,504	12,200	$ 10,433	5%
75th Percentile	**$ 25,146**	**$ 6,008**	**$ 40,468**	**$ 19,762**	**67,000**	**$ 90,982**	
Mean	**$ 19,236**	**$ 4,922**	**$ 40,430**	**$ 19,033**	**41,996**	**$ 69,674**	
Median	**$ 10,670**	**$ 2,933**	**$ 22,468**	**$ 9,242**	**28,000**	**$ 37,769**	
25th Percentile	**$ 6,607**	**$ 1,531**	**$ 11,147**	**$ 6,111**	**15,000**	**$ 19,756**	
Medtronic Rank	63%	68%	72%	74%	70%	56%	

Companies are ranked in descending order based on overall average percentile rank.

All financial and market data are taken from *Standard & Poor s Compustat Service*.

Revenue excludes nonoperating income, gain on sale of securities or fixed assets, discontinued operations, excise taxes and royalty income.

Operating income (EBIT) excludes special items such as restructuring charges.

Our objective is to establish market competitive compensation within a range on either side of the market median benchmark established for each position compared to Medtronic s executive compensation peer group. The market median ranges are +/- 15% for base salary and target annual incentives and +/- 20% for Long-Term Incentives and Target Total Direct Compensation. Consistent with Medtronic s pay-for-performance philosophy, Medtronic establishes an award range for short-term and long-term incentives that generates above-market pay for above-market performance and below-market pay for below-market performance.

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In addition to the competitive market information, the Compensation Committee also reviews information about performance, potential, expertise, and experience for each NEO. Base salary decisions are based on these factors to ensure that salaries are market competitive as specified in Medtronic s compensation philosophy.

Compensation Committee Interlocks and Insider Participation

The members of Medtronic s Compensation Committee are Kendall J. Powell (Chair), Richard H. Anderson, Scott C. Donnelly, and Denise M. O Leary. No member of the Compensation Committee during fiscal year 2014 was ever an officer or employee of Medtronic, and no executive officer of Medtronic during fiscal year 2014 served on the Compensation Committee or board of any company that employed any member of Medtronic s Compensation Committee or Board. During fiscal year 2015, Sarah Powell, a daughter of director Kendall J. Powell, is expected to be employed by Medtronic as a Senior Leadership Development Rotation Program Associate.

Risk Assessment

Compensation policies and practices are also designed to discourage inappropriate risk taking. Mitigating factors with respect to Medtronic s NEOs include the following:

The NEOs are subject to stock ownership guidelines which require Medtronic s CEO to maintain ownership of Medtronic stock equal to six (6) times annual salary and the other NEOs to maintain Medtronic stock equal to three (3) times annual salary. As of July 11, 2014, all directors and NEOs are in compliance with the stock ownership and retention guidelines; however, due to their more recent appointments, Mr. Donnelly and Ms. Reddy are continuing to make progress towards the required ownership guidelines;

Incentive plans are more heavily weighted towards long-term performance to reduce the incentive to impact adversely long-term performance in favor of maximizing performance in one year;

Improper payments or gains from incentives and equity compensation are subject to clawback;

Short-term and long-term cash incentive payments are capped at 200% of target payout;

Short-term and long-term cash incentive performance targets are established at the beginning of each performance period and are not subject to change. Short and long-term incentive programs use different measures of performance. Short-term cash incentives focus on annual operating plan financial measures such as revenue growth, earnings per share, and cash flow. Long-term cash incentives measure shareholder three-year ROIC and three-year revenue growth relative Medtronic s long-term strategic expectations communicated to shareholders; and

The Compensation Committee retains discretionary authority to override any incentive plan s formulaic outcome in the event of unforeseen circumstances.

Share Ownership, Share Retention, and Clawback Policies

Equity Holding

In fiscal year 2012, Medtronic implemented executive stock ownership and retention guidelines that require the CEO to maintain ownership of Medtronic stock equal to six (6) times annual salary and other NEOs to maintain Medtronic stock equal to three (3) times annual salary. Until the ownership guideline is met, the CEO must retain 75% of after-tax Medtronic shares received through settlement of equity compensation awards and other NEOs must retain 50% of such shares. Once the guideline is met, the CEO must retain 75% of after tax shares for one year following settlement of equity compensation awards and other NEO s must retain 50% of such shares for one year following settlement of equity compensation awards. For purposes of complying with the guidelines, stock is not considered owned if pledged as collateral for a loan. Shares owned outright, legally or beneficially, by an officer or his or her immediate family members, after-tax in the money vested but unexercised stock options, after-tax unvested restricted stock units, and shares held in the tax-qualified and

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nonqualified retirement and deferred compensation plans count towards the guideline. Compliance with these guidelines is measured at the beginning of the first fiscal month of a new fiscal year by the internal team at the Company responsible for handling executive compensation matters and the results of such measurement are reported to the Nominating and Corporate Governance Committee or Compensation Committee, as applicable, after the measurement. On each measurement date, compliance is measured using each executive officer s base salary then in effect and the average closing price per share of Medtronic s common stock on the NYSE for the six calendar months preceding the measurement date. As of July XX, 2014, all NEOs are in compliance with the stock ownership and retention policy. For stock options, net after-tax profit shares are those shares remaining after payment of the option s exercise price and income taxes. For share issuances (restricted stock unit vesting), net gain shares are those shares remaining after payment of income taxes.

Hedging and Pledging Policy

Our insider trading policy prohibits Medtronic s NEOs and directors (along with others) from engaging in shorts sales of Medtronic securities (including share sales against the box) or engaging in purchases or sales of puts, calls or other derivative securities based on Medtronic securities. The policy also prohibits Medtronic s NEOs from purchasing Medtronic securities on margin, borrowing against Medtronic securities held in a margin account or pledging Medtronic securities as collateral for a loan (unless the officers can clearly demonstrate the financial capacity to repay the loan without resorting to the pledged securities).

Sale and Transfer of Awards

All stock option, restricted stock, restricted stock unit and performance-based restricted stock/restricted stock unit awards are granted under plans which specifically prohibit the sale, assignment and transfer of awards granted under the plan with limited exceptions such as the death of the award recipient. In addition, the Compensation Committee may allow an award holder to assign or transfer an award.

Incentive Compensation Forfeiture

Medtronic has a comprehensive Incentive Compensation Forfeiture Policy, which is designed to recoup improper payments or gains paid to executive officers. If the Board determines that any executive officer has received an improper payment or gain, which is an incentive payment or grant paid or awarded to the executive officer due to misconduct, the executive officer must return the improper payment or gain to the extent it would not have been paid or awarded had the misconduct not occurred, including interest on any cash payments. Misconduct means any material violation of the Medtronic, Inc. Code of Conduct or other fraudulent or illegal activity for which an executive officer is personally responsible as determined by the Board. All executive officers are required to agree to this policy in writing.

Equity Compensation Forfeiture

The Company may require the return or forfeiture of cash and/or shares received or receivable in certain circumstances in which an employee has a termination of employment from the Company or any affiliate. The Company may exercise its ability to require forfeiture of awards if the employee receives or is entitled to receive delivery of shares or proceeds under an equity award program within six months prior to or twelve months following the date of termination of employment if the current or former employee engages in any of the following activities: (a) performing services for or on behalf of any competitor of, or competing with, the Company or any affiliate; (b) unauthorized disclosure of material proprietary information of the Company or any affiliate; (c) a violation of applicable business ethics policies or business policies of the Company or any affiliate; or (d) any other occurrence

determined by the Compensation Committee of the Board of Directors.

Tax and Accounting Implications

The Compensation Committee structures the annual and long-term incentive plans in a manner that is intended to preserve Medtronic s tax deductions under Section 162(m) of the Code. However, the Compensation

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Committee may authorize compensation arrangements that are not fully tax-deductible but which promote other important objectives that are in the long-term interests of Medtronic and its shareholders. For example, in certain circumstances, the payment of base salary or business allowance or the vesting of restricted stock units may not be fully deductible.

In addition, the Compensation Committee was aware that the intended payment by Medtronic of the gross-up of the Section 4985 excise tax would reduce the deductibility of certain other compensation of certain covered employees under Section 162(m). See *Excise Tax Gross-Up*.

Finally, the Compensation Committee structures all deferred compensation within the meaning of Section 409A of the Code in a manner that is intended to prevent NEOs from being subject to the excise tax under Section 409A. The Compensation Committee also considers accounting treatment in the design of the long-term incentive plan.

Executive Compensation

2014 Summary Compensation Table

The following table summarizes all compensation for each of the last three fiscal years awarded to, earned by or paid to Medtronic s Chief Executive Officer, Chief Financial Officer, and three other most highly compensated executive officers during fiscal year 2014 (collectively, the named executive officers or NEOs). Please refer to the section entitled *Medtronic s Compensation Discussion and Analysis* beginning on page 251 of this joint proxy statement/prospectus for a description of the compensation components for Medtronic s NEOs. A narrative description of the material factors necessary to understand the information in the table is provided below, following the table.

ame and Principal osition	Fiscal Year	Salary	Bonus	Stock Awards	Option Awards	Non-Equity Incentive Plan Compensation	Change in Pension Value and Nonqualified Deferred Compensation Earnings	All Other Compensation	Total
ar Ishrak	2014	$ 1,459,080	$	$ 3,067,051	$ 2,658,962	$ 4,682,931	$ 198,207	$ 52,614	$ 12,118,84
irman and Chief	2013	$ 1,402,962	$	$ 2,817,024	$ 2,099,144	$ 2,417,098	$ 165,917	$ 73,741	$ 8,975,8
cutive Officer	2012	$ 1,168,269	$ 1,553,042	$ 19,069,565	$ 2,150,585	$ 986,958	$	$ 97,221	$ 25,025,6
y L. Ellis	2014	$ 774,866	$	$ 833,009	$ 744,075	$ 1,452,014	$ 537,582	$ 34,940	$ 4,376,4
ior Vice President	2013	$ 716,461	$	$ 800,029	$ 615,487	$ 1,302,580	$ 401,356	$ 37,186	$ 3,873,0
Chief Financial icer	2012	$ 688,731	$	$ 800,008	$ 632,116	$ 654,806	$ 424,302	$ 150,449	$ 3,350,4
istopher J. Connell	2014	$ 675,135	$	$ 833,009	$ 744,075	$ 1,262,793	$ 235,502	$ 35,340	$ 3,785,8
cutive Vice	2013	$ 630,212	$	$ 734,014	$ 565,564	$ 1,168,604	$ 252,198	$ 37,776	$ 3,388,3
sident & President, torative Therapies	2012	$ 589,769	$	$ 734,015	$ 579,173	$ 382,243	$ 239,509	$ 124,710	$ 2,649,4

up									
hael J. Coyle	2014	$ 724,942	$	$ 767,012	$ 686,416	$ 1,306,793	$	$ 106,257	$ 3,591,4
cutive Vice	2013	$ 670,154	$	$ 734,014	$ 565,564	$ 1,210,414	$	$ 84,549	$ 3,264,6
sident & President, diac and Vascular up	2012	$ 626,769	$	$ 734,015	$ 579,173	$ 544,938	$	$ 115,317	$ 2,600,2
ol A. Surface ior Vice President, ef Human ources Officer	2014	$ 306,731	$ 475,000	$ 3,800,057	$ 412,634	$ 484,003	$	$ 39,661	$ 5,518,0

Salary

The salary column represents the base salary earned by the NEO during the applicable fiscal year. This column includes any amounts that the officer may have deferred under the Capital Accumulation Plan, which deferred amounts also are included in the 2014 Nonqualified Deferred Compensation Table on page 282 of this joint proxy statement/prospectus. Each of the NEOs also contributed a portion of his/her salary to the Medtronic, Inc. Savings and Investment Plan, also referred to as the 401(k) Plan.

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Bonus

The bonus column represents the bonus payments made to certain NEOs. Ms. Surface s 2014 amount represents a one-time $475,000 bonus intended to mitigate the loss of earned, but unpaid compensation, at her previous employer.

Stock Awards

The stock awards column represents aggregate grant date fair value of restricted stock unit awards and performance-based restricted stock units assuming full (maximum) achievement of applicable performance criteria over the performance period (collectively, the restricted stock awards) granted in the respective fiscal year as computed in accordance with FASB ASC Topic 718, Compensation Stock Compensation. Accordingly, the grant date fair value was determined by multiplying the numbers of restricted stock awards by the closing stock price on the date of grant. For a description of the vesting terms of the stock awards, see the narrative disclosure following the 2014 Grants of Plan-Based Awards table on page 275 and the footnotes to the 2014 Outstanding Equity Awards at Fiscal Year End table on page 277 of this joint proxy statement/prospectus. Additional information regarding the assumptions used to calculate these amounts are incorporated by reference to Note 12 to Medtronic s consolidated audited financial statements beginning on page F-89 of this joint proxy statement/prospectus.

Option Awards

The option awards column represents the aggregate grant date fair value of stock option awards granted in the respective fiscal year as computed in accordance with FASB ASC Topic 718, Compensation Stock Compensation. The fair value of each stock option award is estimated on the date of grant using the Black-Scholes option valuation model. The following table provides the assumptions underlying this estimation:

	Stock Option Grant Date					
	August 1, 2011	**August 24, 2011**	**July 30, 2012**	**October 29, 2012**	**July 29, 2013**	**October 28, 2013**
Fair value of options granted	$ 6.89	$ 6.53	$ 7.23	$ 8.05	$ 11.99	$ 12.52
Assumption used:						
Risk-free rate[1]	1.83%	1.83%	0.91%	1.06%	1.88%	1.86%
Expected volatility[2]	25.95%	25.95%	26.31%	26.18%	25.20%	24.96%
Expected life[3]	6.4yrs	6.4yrs	6.5yrs	6.5yrs	6.4yrs	6.4yrs
Dividend yield[4]	2.78%	2.78%	2.68%	2.50%	2.02%	1.94%

(1) The risk-free rate is based on the grant date yield of a zero-coupon U.S. Treasury bond whose maturity period equals or approximates the expected term of the option.
(2) The expected volatility is based on a blend of historical volatility and an implied volatility of Medtronic s common stock. Implied volatility is based on market traded options of Medtronic s common stock.
(3) The Company analyzes historical employee stock option exercise and termination data to estimate the expected life assumption. The Company calculates the expected life assumption using the midpoint scenario, which combines historical exercise data with hypothetical exercise data, as the Company believes this data currently represents the best estimate of the expected life of a new employee option.
(4) The dividend yield rate is calculated by dividing Medtronic s annual dividend, based on the most recent quarterly dividend rate, by the closing stock price on the grant date.

For a description of the vesting terms of the option awards, see the narrative disclosure following the 2014 Grants of Plan-Based Awards table on page 275 and the footnotes to the 2014 Outstanding Equity Awards at Fiscal Year End table on page 277 of this joint proxy statement/prospectus. Additional information regarding the assumptions used to calculate these amounts is included in Note 12 of Medtronic s consolidated audited financial statement beginning on page F-89 of this joint proxy statement/prospectus.

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Non-Equity Incentive Plan Compensation

This column reflects the MIP and LTPP payments earned by the NEOs during the applicable fiscal year(s) and payable subsequent to fiscal year end, including any amounts deferred under the Capital Accumulation Plan (which are included in the 2014 Nonqualified Deferred Compensation table on page 282 of this joint proxy statement/prospectus). The table below reflects the compensation received by the NEO under each plan for the performance period ending through fiscal year 2014.

Name	MIP	2012-2014 LTPP	Total Non-Equity Incentive Plan Compensation
Omar Ishrak	$ 2,116,385	$ 2,566,546	$ 4,682,931
Gary L. Ellis	$ 723,054	$ 728,960	$ 1,452,014
Christopher J. O Connell	$ 594,883	$ 667,910	$ 1,262,793
Michael J. Coyle	$ 638,884	$ 667,910	$ 1,306,793
Carol A. Surface	$ 484,003	$	$ 484,003

For a more detailed description of the terms of the non-equity incentive plan awards, see page 276 of the Compensation Discussion and Analysis and the narrative disclosure following the 2014 Grants of Plan-Based Awards on page 275 of this joint proxy statement/prospectus.

Change in Pension Value and Nonqualified Deferred Compensation Earnings: This column includes the estimated aggregate increase in the accrued pension benefit under Medtronic s defined benefit pension plans. The change in the present value of the accrued pension benefit is impacted by variables such as additional years of service, age, pay and the discount rate (4.75% for fiscal 2014; up from 4.55% in fiscal year 2013) used to calculate the present value of the change. The pension values are calculated based on the accrued pension benefits (qualified plan and the non-qualified NRPS) as of April 25, 2014, and the fiscal year-end 2014 ASC 715 disclosure assumptions. Assumptions are described in Note 14 to Medtronic s consolidated audited financial statements beginning on page F-97 of this joint proxy statement/prospectus. Mr. Ishrak s value is currently an unvested benefit and subject to additional service requirements. Please see the Pension Benefits table for more information.

All Other Compensation

The all other compensation column includes the following:

Name	Fiscal Year	Perquisites and Other Personal Benefits[1]	Tax Gross-ups[2]	Registrant Contributions to Defined Contribution Plans[3]	Total
Omar Ishrak	2014	$ 41,674	$ 1	$ 10,940	$ 52,614
Gary L. Ellis	2014	$ 24,000	$ 0	$ 10,940	$ 34,940
Christopher J. O Connell	2014	$ 24,400	$ 1	$ 10,940	$ 35,340
Michael J. Coyle	2014	$ 24,000	$ 2	$ 82,255	$ 106,257
Carol A. Surface	2014	$ 13,385	$ 0	$ 26,276	$ 39,661

(1) This column represents the aggregate incremental cost of the executives business allowances, physical exams, and relocation expenses. The value of perquisites and other personal benefits for Mr. Ishrak includes a $40,000 business allowance, and relocation expenses. The value of perquisites and other personal benefits for Messrs. Ellis, O Connell and Coyle includes a business allowance of $24,000 and for Mr. O Connell the value also includes a reimbursement for expenses related to a physical exam. Ms. Surface s amount reflects

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the prorated portion of her business allowance. All relocation expenses are subject to a clawback requirement if the employee leaves the Company before the second anniversary of the employee s start of employment, the employee would have to repay all relocation expenses to Medtronic. The Company occasionally allows its executives to use tickets for sporting and special events previously acquired by the Company when no other business use has been arranged. There is no incremental cost to the Company for the use.

(2) Tax gross-ups for Messrs. Ishrak, O Connell and Coyle are related to Medtronic s company-wide Healthy Incentive Rewards Program available to all employees.

(3) This amount reflects the contribution by Medtronic to match contributions to the Medtronic, Inc. Savings and Investment Plan or 401(k) Plan. Medtronic matches employee contributions of up to 6% of eligible compensation. The plan makes a minimum contribution of $0.50 and a maximum contribution of $1.50, with any contribution over the minimum determined based on diluted EPS performance target levels. The fiscal year 2014 match of $0.715 was based on achievement of an adjusted diluted EPS of $3.82. Amounts for and Mr. Coyle and Ms. Surface also include $71,315 and $15,337, respectively, in Company contributions to the qualified defined contribution ($12,750 for each of Mr. Coyle and Ms. Surface) and nonqualified defined contribution plans ($58,565 for Mr. Coyle and $2,587 for Ms. Surface). For additional information on the nonqualified defined contribution plan, see the 2014 Nonqualified Deferred Compensation table on page 282.

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2014 Grants of Plan-Based Awards

The following table summarizes all plan-based award grants to each of the NEOs during fiscal year 2014. Threshold amounts assume attainment of plan performance thresholds. You should refer to the Compensation Discussion and Analysis sections entitled Fiscal Year 2014 Annual Incentive Plan Design on page 260 and Fiscal Year 2014 Long-Term Incentive Plan (LTIP) Target Pay beginning on page 261 to understand how plan-based awards are determined. A narrative description of the material factors necessary to understand the information in the table is provided below.

Name	Award Type	Grant Date	Approval Date	Estimated Future Payouts under Non-Equity Incentive Plan Awards ($)			Estimated Future Payouts Under Equity Incentive Plan Awards Target (# of shares)	All Other Option Awards: Number of Securities Underlying Options (#)	Exercise or Base Price of Options Awards ($/Sh)	Grant Date Fair Value of Stock and Options Awards
				Threshold	Target	Maximum				
Omar Ishrak	MIP			$ 340,772	$ 2,044,224	$ 4,088,448				
	LTPP			$ 766,500	$ 3,066,000	$ 6,132,000				
	OPT	07/29/2013	06/20/2013					221,765	55.32	$ 2,658,962
	PBRSU	07/29/2013	06/20/2013				55,442			$ 3,067,051
Gary L. Ellis	MIP			$ 116,423	$ 698,400	$ 1,396,800				
	LTPP			$ 208,250	$ 833,000	$ 1,666,000				
	OPT	07/29/2013	06/20/2013					60,250	55.32	$ 722,398
	OPT	07/29/2013	06/20/2013					1,808	55.32	$ 21,678
	PBRSU	07/29/2013	06/20/2013				15,058			$ 833,009
Christopher J. O Connell	MIP			$ 95,786	$ 574,600	$ 1,149,200				
	LTPP			$ 208,250	$ 833,000	$ 1,666,000				
	OPT	07/29/2013	06/20/2013					60,250	55.32	$ 722,398
	OPT	07/29/2013	06/20/2013					1,808	55.32	$ 21,678
	PBRSU	07/29/2013	06/20/2013				15,058			$ 833,009
Michael J. Coyle	MIP			$ 102,871	$ 617,100	$ 1,234,200				
	LTPP			$ 191,750	$ 767,000	$ 1,534,000				
	OPT	07/29/2013	06/20/2013					55,441	55.32	$ 664,738
	OPT	07/29/2013	06/20/2013					1,808	55.32	$ 21,678
	PBRSU	07/29/2013	06/20/2013				13,865			$ 767,012
	MIP			$ 77,932	$ 467,500	$ 935,000				

Carol A. Surface									
LTPP			$ 118,750	$ 475,000	$ 950,000				
OPT	10/28/2013	08/22/2013					32,958	57.65	$ 412,634
PBRSU	10/28/2013	08/22/2013				8,240			$ 475,036
RSU	10/28/2013	08/22/2013				57,676			$ 3,325,021

MIP = Annual performance-based plan award granted under the Medtronic, Inc. Executive Incentive Plan.

LTPP = Long-term performance plan award granted under the Medtronic, Inc. 2013 Stock Award and Incentive Plan or the predecessor 2008 Stock Award and Incentive Plan.

OPT = Nonqualified stock options granted under the Medtronic, Inc. 2013 Stock Award and Incentive Plan or the predecessor 2008 Stock Award and Incentive Plan.

PBRSU = Performance-based restricted stock units granted under the Medtronic, Inc. 2013 Stock Award and Incentive Plan or the predecessor 2008 Stock Award and Incentive Plan.

RSU = Restricted stock units granted under the Medtronic, Inc. 2013 Stock Award and Incentive Plan.

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Estimated Future Payouts Under Non-Equity Incentive Plan Awards

Amounts in these columns represent future potential cash payments under the 2014-2016 LTPP and 2014 MIP at threshold, target and maximum performance. The LTPP provides for annual grants that are earned over a three-year period. Earned payouts under the LTPP can range from 25% to 200% of the target grant based on Medtronic s three-year performance relative to the following metrics: three-year cumulative compounded annual revenue growth rate and ROIC (rolling 12-month profit after tax excluding one-time items plus interest expense net of tax all divided by the difference of Average Asset Base and Average Non-Interest Bearing Liabilities for each year averaged over the three-year period). Earned payouts under the MIP can range from 17% to 200% of the target grant based on Company performance relative to annual revenue growth, diluted EPS, a cash flow measure, and a quality performance modifier as described on page 261 of this joint proxy statement/prospectus. The threshold payout levels described above reflect threshold performance achievement for one performance metric in the respective LTPP and MIP. The maximum dollar value that may be paid to any participant in qualified performance-based awards denominated in cash in any fiscal year is $10 million. Both the MIP and LTPP have separate diluted EPS goals to support Medtronic s compliance with Section 162(m).

Estimated Future Payouts Under Equity Incentive Plan Awards

Amounts in this column represent grants of performance-based restricted stock units (PBRSUs). PBRSUs vest 100% on the third anniversary of the date of grant provided Medtronic achieves a minimum three-year cumulative diluted EPS threshold growth rate. Unvested PBRSUs receive dividend equivalent units (DEUs) which are credited and added to the share balance. DEUs are only paid to the extent the underlying PBRSUs are earned. This column also includes a grant of RSUs to Ms. Surface in connection with her joining the Company. The RSUs will vest over four years and are subject to Ms. Surface s continued employment with the Company.

All Other Option Awards/Exercise or Base Price of Option Awards

The exercise or base price of the stock option grant represents the closing market price of Medtronic common stock on the date of grant. Option awards vest 25% on each anniversary of the date of grant over a four year period.

Grant Date Fair Value of Stock and Option Awards

This column represents the grant date fair value of each equity award granted in fiscal year 2014 computed in accordance with FASB ASC Topic 718, Compensation Stock Compensation. For a discussion of the assumptions used in calculating the amount recognized for stock options granted on July 29, 2013 and October 28, 2013, see page 272 of this joint proxy statement/prospectus. Additional information regarding the assumptions used to calculate these amounts is included in Note 12 of Medtronic s consolidated audited financial statements beginning on page F-89 of this joint proxy statement/prospectus.

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2014 Outstanding Equity Awards at Fiscal Year End

The table below reflects all outstanding equity awards made to each of the NEOs that were outstanding at the end of fiscal year 2014. The market or payout value of unearned shares, units or other rights that have not vested equals $58.21, which was the closing price of Medtronic s common stock on the NYSE on April 25, 2014, and for performance-based restricted stock units and for performance share plan awards presumes that the target performance goals are met.

	OPTION AWARDS					STOCK AWARDS				
		Number of Securities Underlying Unexercised Options (#)					Shares or Units of Stock That Have Not Vested		Equity Incentive Plan Awards: Unearned Shares, Units or Other Rights That Have Not Vested	
Name	Option Grant Date	Exercisable	Unexercisable	Option Exercise Price ($)	Option Expiration Date	Grant Date	Number (#)[1]	Market Value ($)	Number (#)[1]	Market or Payout Value ($)
Omar Ishrak	08/24/2011	161,506	161,507	34.88	08/24/2021	06/13/2011	266,733	15,526,528		
	07/30/2012	72,584	217,754	38.81	07/30/2022	06/13/2011			82,561	4,805,876
	07/29/2013	0	221,765	55.32	07/29/2023	08/24/2011			86,072	5,010,251
						07/30/2012			75,378	4,387,753
						07/20/2013			56,255	3,274,604
Gary L. Ellis	10/21/2004	30,000	0	50.00	10/21/2014	08/01/2011			24,447	1,423,060
	10/19/2005	37,011	0	56.74	10/19/2015	07/30/2012			21,407	1,246,101
	10/30/2006	41,068	0	48.70	10/30/2016	07/29/2013			15,279	889,391
	10/29/2007	41,868	0	47.77	10/29/2017					
	10/27/2008	55,188	0	36.24	10/27/2018					
	08/03/2009	50,112	0	35.92	08/03/2019					
	08/02/2010	53,238	17,746	37.53	08/02/2020					
	08/01/2011	45,872	45,872	34.88	08/01/2021					
	07/30/2012	20,613	61,840	38.81	07/30/2022					
	10/29/2012	601	1,803	41.60	10/29/2022					
	07/29/2013	0	60,250	55.32	07/29/2023					
	07/29/2013	0	1,808	55.32	07/29/2023					
Christopher O Connell	10/21/2004	28,000	0	50.00	10/21/2014	08/01/2011			22,430	1,305,650
	04/29/2005	11,423	0	52.70	04/29/2015	07/30/2012			19,641	1,143,303
	10/19/2005	17,625	0	56.74	10/19/2015	07/29/2013			15,279	889,391
	10/30/2006	15,401	0	48.70	10/30/2016					
	10/29/2007	17,794	0	47.77	10/29/2017					
	10/27/2008	33,113	0	36.24	10/27/2018					

	08/03/2009	33,408	0	35.92	08/03/2019					
	11/02/2009	27,686	0	36.12	11/02/2019					
	08/02/2010	53,238	17,746	37.53	08/02/2020					
	08/01/2011	42,030	42,030	34.88	08/01/2021					
	07/30/2012	18,887	56,661	38.81	07/30/2022					
	10/29/2012	601	1,803	41.60	10/29/2022					
	07/29/2013	0	60,250	55.32	07/29/2023					
	07/29/2013	0	1,808	55.32	07/29/2023					
Michael J. Coyle	02/01/2010	23,175	0	43.15	02/01/2020					
	08/02/2010	53,238	17,746	37.53	08/02/2020	08/01/2011			22,430	1,305,650
	08/01/2011	42,030	42,030	34.88	08/01/2021	07/30/2012			19,641	1,143,303
	07/30/2012	18,887	56,661	38.81	07/30/2022	07/29/2013			14,068	818,898
	10/29/2012	601	1,803	41.60	10/29/2022					
	07/29/2013	0	55,441	55.32	07/29/2023					
	07/29/2013	0	1,808	55.32	07/29/2023					
Carol A. Surface	10/28/2013	0	32,958	57.65	10/28/2023	10/28/2013	58,237	3,389,976		
						10/28/2013			8,320	484,307

(1) Amounts in these columns may include dividend equivalents that will be distributed upon distribution of the underlying awards.

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The amounts shown in the column entitled Shares or Units of Stock That Have Not Vested of the 2014 Outstanding Equity Awards at Fiscal Year End table that corresponds to a June 13, 2011 grant date reflects a time-based restricted stock unit award that vests 100% on the fourth anniversary of the date of grant and an October 28, 2013 time-based restricted stock unit award that vests 14.29% on the first anniversary of the date of grant and 28.57% on the second, third and fourth anniversaries of the grant date. The June 13, 2011 grant to Mr. Ishrak reflects a performance based restricted stock unit award that vests 35% on the first anniversary and 21 2/3% on the second, third, and fourth anniversary of the date of the grant provided that the established minimum diluted EPS threshold is achieved. The amounts shown in the column entitled Equity Incentive Plan Awards: Unearned Shares, Units or Other Rights That Have Not Vested of the 2014 Outstanding Equity Awards at Fiscal Year End table that corresponds to an August 1, 2011, August 24, 2011, July 30, 2012, July 29, 2013, and October 28, 2013 grant date reflect performance-based restricted stock or restricted stock unit awards that vest on the third anniversary of the date of grant provided that the established performance threshold for each award is achieved, except that the August 24, 2011 grant vests on August 1, 2014.

The table below shows the vesting schedule for all unexercisable options. All options vest on the anniversary of the grant date in the year indicated except Mr. Ishrak s August 24, 2011 option grant which vests on the anniversary of August 1, 2011.

		VESTING SCHEDULE FOR UNEXERCISABLE OPTIONS			
Name	**Grant Date**	**2014**	**2015**	**2016**	**2017**
Omar Ishrak	08/24/2011	80,753	80,754		
	07/30/2012	72,585	72,584	72,585	
	07/29/2013	55,441	55,441	55,441	55,442
Gary L. Ellis	08/02/2010	17,746			
	08/01/2011	22,936	22,936		
	07/30/2012	20,613	20,613	20,614	
	10/29/2012	601	601	601	
	07/29/2013	15,062	15,063	15,062	15,063
	07/29/2013	452	452	452	452
Christopher J. O Connell	08/02/2010	17,746			
	08/01/2011	21,015	21,015		
	07/30/2012	18,887	18,887	18,887	
	10/29/2012	601	601	601	
	07/29/2013	15,062	15,063	15,062	15,063
	07/29/2013	452	452	452	452
Michael J. Coyle	08/02/2010	17,746			
	08/01/2011	21,015	21,015		
	07/30/2012	18,887	18,887	18,887	
	10/29/2012	601	601	601	
	07/29/2013	13,860	13,860	13,860	13,861
	07/29/2013	452	452	452	452
Carol A. Surface	10/28/2013	8,239	8,240	8,239	8,240

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		VESTING SCHEDULE FOR UNVESTED RESTRICTED STOCK AND RSUS			
Name	**Grant Date**	**2014**	**2015**	**2016**	**2017**
Omar Ishrak	06/13/2011	41,280	41,281		
	06/13/2011		266,733		
	08/24/2011	86,072			
	07/30/2012		75,378		
	07/29/2013			56,255	
Gary L. Ellis	08/01/2011	24,447			
	07/30/2012		21,407		
	07/29/2013			15,279	
Christopher J. O Connell	08/01/2011	22,430			
	07/30/2012		19,641		
	07/29/2013			15,279	
Michael J. Coyle	08/01/2011	22,430			
	07/30/2012		19,641		
	07/29/2013			14,068	
Carol A. Surface	10/28/2013	8,321	16,639	16,639	16,639
	10/28/2013			8,320	

Mr. Ellis also owns 33,479 vested and deferred stock units including associated dividend equivalents, respectively, which will be distributed following his retirement.

2014 Option Exercises And Stock Vested

The table below includes information related to options exercised by each of the NEOs and restricted stock awards that have vested during fiscal year 2014. The table also includes the value realized for such options and restricted stock awards. For options, the value realized on exercise is equal to the difference between the market price of the underlying shares at exercise and the exercise price of the options. For stock awards, the value realized on vesting is equal to the market price of the underlying shares at vesting.

	OPTION AWARDS		STOCK AWARDS	
Name	**Number of Shares Acquired on Exercise (#)**	**Value Realized on Exercise ($)**	**Number of Shares Acquired on Vesting (#)**	**Value Realized on Vesting ($)**
Omar Ishrak			40,480	$ 2,136,534
Gary L. Ellis	36,848	294,751	19,130	$ 1,051,002
Christopher J. O Connell	32,411	229,834	26,734	$ 1,486,407
Michael J. Coyle			38,227	$ 2,131,129
Carol A. Surface				$ 0

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2014 Pension Benefits

The table below includes information with respect to Medtronic s pension plan for each of the NEOs as of April 25, 2014, which is the measurement date used for financial statement reporting purposes. A narrative description of the material factors necessary to understand the information in the table is provided below.

Name	Plan Name	Number of Years of Credited Service	Present Value of Accumulated Benefit ($)[1]	Payments During Last Fiscal Year ($)
Omar Ishrak	Medtronic, Inc. Personal	2.83	$ 38,256[2]	$ 0
	(Personal Pension Account)	2.83		
	Medtronic, Inc. NRPS		$ 384,331[2]	$ 0
Gary L. Ellis	Medtronic, Inc. Retirement Plan	24.42	$ 598,425	$ 0
	(Medtronic Retirement Plan)	24.42		
	Medtronic, Inc. NRPS		$ 2,476,692	$ 0
Christopher J. O Connell	Medtronic, Inc. Retirement Plan	19.75	$ 291,232	$ 0
	(Medtronic Retirement Plan)	19.75		
	Medtronic, Inc. NRPS		$ 951,440	$ 0
Michael J. Coyle[3]				
Carol A. Surface[3]				

(1) The present value of the accumulated benefits are calculated using the assumptions described in Note 14 to Medtronic s consolidated audited financial statements beginning on page F-97 of this joint proxy statement/prospectus. Further, in accordance with the disclosure requirements the accumulated benefit is calculated using the retirement age at which the benefit is unreduced under the plan (i.e., age 65). Only the Medtronic Retirement Plan component of the Medtronic, Inc. Retirement Plan is reduced for early commencement if the benefit is commenced before the normal retirement age of 65. The Personal Pension Account Plan is an account based plan and therefore is not reduced for early commencement. Please see below for additional detail.

(2) Mr. Ishrak s benefit under the Medtronic, Inc. Retirement Plan (Personal Pension Account) and the Medtronic, Inc. NRPS is not vested until the three-year service requirement has been met. Accordingly, Mr. Ishrak s benefits vested on June 13, 2014.

(3) Mr. Coyle and Ms. Surface do not participate in Medtronic s defined benefit pension plans.

The Medtronic, Inc. Retirement Plan consists of two types of benefits, the MRP and the Personal Pension Account (PPA). Employees hired prior to May 1, 2005 had the option of continuing in the MRP or electing to participate in one of the new plans. The MRP is the final average pay component of the Medtronic, Inc. Retirement Plan. Employees hired on or after May 1, 2005 choose within 60 days of their hire date to participate in one of the new retirement plans: the Personal Pension Account or the Personal Investment Account (PIA). The PPA is a cash balance component of the Medtronic, Inc. Retirement Plan, and the PIA is a component of the Medtronic, Inc. 401(k) Plan.

Messrs. Ellis and O Connell participate in the MRP component of the Medtronic, Inc. Retirement Plan. The Medtronic, Inc. Retirement Plan is a funded, tax-qualified, noncontributory defined-benefit pension plan that covers all eligible employees employed with the Company prior to April 30, 2005 who elected to remain in the MRP, including the

Messrs. Ellis and O Connell. Effective May 1, 2005, the Company froze the MRP to new entrants and provided all eligible employees the option of continuing to accrue retirement benefits under the MRP or participate in one of two new options being offered. All eligible NEOs hired prior to May 1, 2005, elected to continue participation in the MRP. Benefits under the MRP are based upon the employee s years of credited service and the average of the employee s highest five consecutive years of covered compensation during the employee s career while covered under the MRP. Employees have the option of providing for a survivorship benefit upon the employee s death by making the appropriate election at the time of retirement. Covered compensation includes base salary, formula bonus and incentive plan payments, sales commissions, salary reduction contributions (such as to a cafeteria plan or medical plan) or salary

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continuation payments for short-term disability, but excludes compensation paid under the LTPP or the performance share plan (the predecessor to the LTPP). In addition, the IRS limits the amount of covered compensation that can be used in the benefit calculation. For the most recent plan year, that limit is $255,000. Normal retirement age under the plan is age 65. Eligible employees may retire upon reaching age 55 with at least ten years of service or upon reaching age 62 without regard to years of service. Any retirement prior to normal retirement age is considered early retirement and the benefit includes a reduction for early commencement of benefits.

Benefits under the MRP are calculated as a monthly annuity by taking 40% of the final average covered compensation less a social security allowance (which varies by individual based upon year of birth) and multiplying this result by years of credited service under the MRP. That result is then divided by 30 to yield the benefit at normal retirement age, with an early retirement factor applied to calculate the early retirement benefit. The age at the time that benefits are commenced is used to determine the early retirement reduction amount. The maximum reduction amount is 50% and applies if benefits are commenced at age 55. Employees with over 30 years of service receive 0.5% for every year of credited service in excess of 30 years.

Mr. Ishrak is a participant in the PPA component of the Medtronic, Inc. Retirement Plan. The PPA is a tax-qualified cash balance defined benefit pension plan available to employees hired after April 30, 2005. The Company contributes 5% of eligible compensation for each year of participation into the participant s account. Eligible compensation under the PPA matches the MRP discussed above. Additionally, each year a participant s account will earn interest at a rate equal to the ten-year U.S. Treasury bond rate. For the fiscal year ended April 25, 2014 the interest rate was equal to 1.96%. Each participant s account has a three-year vesting requirement. The PPA value will be forfeited if the participant leaves the Company before the three-year service requirement. Vested benefits in the PPA are portable and participants may receive distributions for any purpose, but may then be subject to taxation. A PPA participant leaving the Company may receive distributions in the following ways: 1) roll over benefit into another tax-qualified plan or certain IRAs; 2) lump-sum cash payment; 3) leave the PPA balance in the plan (which will continue to earn returns equal to the ten-year U.S. Treasury bond rate); and 4) various monthly annuity options, including single life, ten-year certain and joint and survivor options.

The benefits currently paid under the Medtronic, Inc. Retirement Plan are limited to an annual maximum of $205,000, in accordance with IRS requirements. The Company also has an unfunded NRPS that provides an amount substantially equal to the difference between the amount that would have been payable to the executive under the Medtronic, Inc. Retirement Plan in the absence of legislation limiting pension benefits and earnings that may be considered in calculating pension benefits and the amount actually payable under the plan. This is available to all participating employees whose income or benefits exceed the IRS maximum, not just the executive officers. Compensation used in the calculation of the NRPS benefit includes eligible compensation in excess of the IRS limitation and amounts deferred (excluding amounts paid and deferred under the LTPP or the performance share plan) pursuant to the Capital Accumulation Plan. NRPS benefits are determined based on the qualified plan formula that the executive elected to participate in. The NRPS benefit is calculated based on the MRP or PPA respective formula. The NRPS benefit calculated on the MRP formula is reduced based on the participant s age at the end of the month following separation from service (within the meaning of Section 409A of the Code, generally, retirement, termination of employment, or significant reduction in work schedule). Upon separation from service, the amount of retirement benefits earned under the NRPS is calculated. The monthly benefit is the sum of the monthly principal amount and the monthly interest. The monthly interest is determined based on a declining balance schedule using an interest rate of 6%. Upon separation from service, the amount of retirement benefits earned under the NRPS are calculated. If the lump sum value is less than $100,000, it is paid out as a lump sum six months after separation from service. If the lump sum value exceeds $100,000, the value is paid out over a 15-year period in the form of a monthly annuity commencing six months after the separation from service. In the event of the employee s death prior to the completion of the 15-year payment cycle, any remaining benefits from the NRPS are payable per the beneficiary

designation on record. If a beneficiary is not named the benefit is payable to the employee s surviving spouse, if there is no surviving spouse, to the children or if no survivors, the estate.

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2014 Nonqualified Deferred Compensation

Name		Executive Contributions in Last FY[2]	Registrants Contributions in Last FY[3]	Aggregate Earnings in Last FY[4]	Aggregate Withdrawals/ Distributions	Aggregate Balance at Last FYE[5]
Omar Ishrak[1]	CAP	$ 0	$ 0	$ 0	$ 0	$ 0
	NRPS	$ 0	$ 0	$ 0	$ 0	$ 0
Gary L. Ellis[1]	CAP	$ 703,872	$ 0	$ 158,137	$ 0	$ 2,186,364
	NRPS	$ 0	$ 0	$ 0	$ 0	$ 0
	RSUs	$ 0	$ 0	$ 741,777	$ 0	$ 1,948,806
	ESOP	$ 0	$ 0	$ 17,101	$ 0	$ 78,084
Christopher J. O Connell[1]	CAP	$ 142,377	$ 0	$ 262,564	$ 0	$ 2,332,378
	NRPS	$ 0	$ 0	$ 0	$ 0	$ 0
	ESOP	$ 0	$ 0	$ 5,081	$ 0	$ 23,202
Michael J. Coyle	CAP	$ 1,173,896	$ 0	$ 112,035	$ 0	$ 2,286,511
	NRPS	$ 0	$ 58,565	$ 10,568	$ 0	$ 175,032
Carol A. Surface[1]	CAP	$ 0	$ 0	$ 0	$ 0	$ 0
	NRPS	$ 0	$ 2,587	$ 0	$ 0	$ 2,587

CAP = Capital Accumulation Plan

NRPS = Nonqualified Retirement Plan Supplement

RSUs = Restricted Stock Units

ESOP = Employee Stock Ownership Plan

(1) Mr. Ishrak and Ms. Surface have not participated in the CAP. Messrs. Ishrak, Ellis and O Connell have not participated in the defined contribution Personal Investment Account portion of the Nonqualified Retirement Plan Supplement (NRPS).

(2) The following amounts of Executive Contributions from the table above have been reported in Salary and Non-Equity Incentive Plan Compensation columns in the current year s Summary Compensation Table:

Name	Contributions
Omar Ishrak	$ 0
Gary L. Ellis	$ 703,872

Christopher J. O Connell	$	142,377
Michael J. Coyle	$	1,173,896
Carol A. Surface	$	0

(3) These amounts are included in the current year s Summary Compensation Table in the All Other Compensation column.

(4) No amounts of Aggregate Earnings from the table above have been reported in the current year s Summary Compensation Table for any of Medtronic s NEOs since the earnings were not preferential or above market.

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(5) The following amounts of Aggregate Balance from the table above have been reported in the Summary Compensation Table from prior fiscal years:

Name	Contributions
Omar Ishrak	$ 0
Gary L. Ellis	$ 1,341,450
Christopher J. O Connell	$ 390,012
Michael J. Coyle	$ 1,051,385
Carol A. Surface	$ 0

Capital Accumulation Plan

The Capital Accumulation Plan allows U.S. executives of Medtronic to defer:

Up to 50% of their base salary;

Up to 100% of their annual incentive plan payments;

Up to 80% of their commissions (applicable only to those executives in a commission plan); and

Up to 100% of their cash long-term incentive plan payments.

The minimum amount of each reward element that may be deferred is 10%. Medtronic does not make any contributions to the Capital Accumulation Plan the aggregate balances shown above represent amounts that the NEOs earned but elected to defer, plus gains (or losses).

Participants receive credits of gains or losses daily based on funds that are indexed to 25 investment alternatives, which are all also available under the 401(k) Plan. Investment returns for these investment alternatives are shown below:

	Return on Funds April 26, 2013 to April 30, 2014
Medtronic Common Stock Fund	28.32%
Interest Income Fund	1.72%
Wellington Fund Inv	13.19%
IronBridge SMID Fund	15.93%
Inst Index Fund Inst	20.42%
PRIMECAP Fund Investor	23.73%
Windsor II Fund Inv	20.26%
International Growth Inv	15.75%

Total Bond Mkt Index Inst	-0.33%
Extended Mkt Index Inst	21.98%
Target Retirement Income	4.37%
Target Retirement 2010	6.36%
Target Retirement 2015	8.90%
Target Retirement 2020	10.76%
Target Retirement 2025	12.08%
Target Retirement 2030	13.41%

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	Return on Funds April 26, 2013 to April 30, 2014
Target Retirement 2035	14.77%
Target Retirement 2040	15.69%
Target Retirement 2045	15.71%
Target Retirement 2050	15.70%
Target Retirement 2055	15.67%
Target Retirement 2060	15.69%
Inflation-Protect Sec Inv	-6.20%
10T-100	3.70%
10T-120	4.44%

When participants elect to defer amounts, they also select when the amounts will ultimately be distributed. Distributions may be made on a certain future date (as long as that date is at least five years beyond the period of deferral) or at retirement, or, for specified employees under Section 409A of the Code, six months after the date of retirement (in the form of a lump sum distribution or installments over five, 10 or 15 years). All distributions are made in cash, and there are limited opportunities to change the distribution elections. These include a hardship withdrawal and a redeferral election that must be made at least 12 months prior to a scheduled payment (and only if the redeferral is for at least an additional five years).

RSUs

The Medtronic, Inc. 2003 LTIP permitted a participant to defer the issuance of shares or cash deliverable upon the exercise of an option or stock appreciation right, vesting of restricted stock, or satisfaction of other stock-based awards or other cash-based awards, for a specified period or until a specified date.

Participants are entitled to receive dividend equivalents on the RSUs generally in the same manner and at the same time as if each RSU were a share. These dividend equivalents are credited in the form of additional RSUs.

The deferred RSUs are payable on the date six months or one year following a separation from service, pursuant to individual award agreements. The Company may require participants to return or forfeit the shares received or receivable in the event the participant is involved in performing services for or on behalf of a competitor, a violation of applicable business ethics policies or any other occurrence determined by the Compensation Committee.

ESOP

Medtronic previously sponsored a non-qualified employee stock ownership plan (ESOP) to restore certain qualified employee benefits that could not be allocated due to IRS limitations. The qualified ESOP expired in May 2005, and accordingly no additional contributions were made by Medtronic into the non-qualified ESOP. All participants in the ESOP are fully vested. Dividends are credited to the ESOP account each year and the account balance is distributed in a lump sum of shares of Medtronic stock in the fiscal year following termination or retirement. Active employees cannot take distributions from the account.

Nonqualified Retirement Plan Supplement

The NRPS benefit calculated based on the Personal Investment Account formula is equal to 5% of the eligible compensation in excess of the IRS limitation and amounts deferred (excluding any LTPP CAP deferrals). Upon

separation from service, within the meaning of Section 409A of the Code (generally, retirement,

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termination of employment, or significant reduction in work schedule), the amount of retirement benefits earned under the NRPS are calculated. If the lump-sum value is less than $100,000, it is paid out as a lump sum six months after separation from service. If the lump-sum value exceeds $100,000, the value is paid out over a 15-year period in the form of a monthly annuity commencing six months after separation from service. The monthly benefit is the sum of the monthly principal amount and the monthly interest. The monthly interest is determined based on a declining balance schedule using an interest rate of 6%. In the event of the employee s death prior to the completion of the 15-year payment cycle, any remaining benefits from the NRPS are payable per the beneficiary designation on record. If a beneficiary is not named, the benefit is payable to the employee s surviving spouse, if there is no surviving spouse, to the children or if no survivors, the estate.

Potential Payments upon Termination or Change in Control

Letter Agreements

Mr. Ishrak is party to a letter agreement with the Company which provides severance payments and benefits under certain termination events. In the event Mr. Ishrak s employment is terminated by the Company without cause (as defined in the letter agreement with Mr. Ishrak) or by Mr. Ishrak for good reason (generally defined to include material reduction in salary or MIP target award, material adverse change in title, position and authority, required relocation in excess of 50 miles, and material breach by the Company of the letter agreement with Mr. Ishrak), Mr. Ishrak will be entitled to the following payments:

(i) a pro rata MIP bonus for the year of termination based on actual performance and paid when MIP bonuses are paid generally, (ii) a lump sum equal to two times the sum of Mr. Ishrak s annual base salary and target annual cash opportunity under the MIP, (iii) the value of 24 months of continued welfare benefits, (iv) full vesting of the time-based RSUs granted upon his appointment to CEO on June 13, 2011, and (v) full satisfaction of the time vesting requirement of the PBRSUs granted to Mr. Ishrak on June 13, 2011, however the PBRSUs will still be subject to Medtronic s achievement of minimum earnings goals otherwise applicable to such PBRSUs under the terms of the award. These severance payments and benefits are subject to Mr. Ishrak s execution of a general release and continued compliance with Medtronic s standard confidentiality policies, a two-year non-competition and one-year non-solicitation agreement.

Mr. Coyle and Ms. Surface are party to agreements with the Company that specify cash severance payments under certain termination events. Mr. Coyle is entitled to receive one times his annual base salary plus his MIP bonus upon termination by the Company without cause. Ms. Surface will receive (i) a lump sum equal to two times her base salary, (ii) a lump sum of two times the lesser of her target annual cash opportunity under the MIP or the most recent quarterly estimate of the current year s MIP payout, (iii) lump sum equal to value of welfare benefit premiums for 24 months, and (iv) executive placement services. Separately, if Ms. Surface s employment is involuntarily terminated without cause within 180 days of a new CEO being hired from outside the Company any unvested RSUs that were granted in connection with her employment will continue to vest as scheduled, but will remain subject to the performance requirement as outlined in the award. The value of the unvested RSUs granted on October 28, 2013 using April 25, 2014 s closing price of $58.21 is $3,357,320. Ms. Surface is subject to Medtronic s standard confidentiality policies, a two-year non-competition and one-year non-solicitation agreement. Except as disclosed in this section, no other NEO is party to any agreement that provides for severance benefits in excess of the broad-based plans or benefits available to all employees of Medtronic.

The table below illustrates the payments due to Messrs. Ishrak, Coyle and Ms. Surface upon involuntary termination as described in the section above assuming a termination date of April 25, 2014.

Name	Severance Amount[1]	Restricted Stock Unit Vesting[2]	Welfare Benefits[3]	Total
Omar Ishrak	$ 9,125,153	$ 18,948,636	$ 29,416	$ 28,103,205
Michael J. Coyle	$ 1,343,100			$ 1,343,100
Carol A. Surface	$ 2,035,000		$ 49,416	$ 2,084,416

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(1) Mr. Ishrak s amount includes the fiscal year 2014 earned MIP payment ($2,116,385), plus two times Mr. Ishrak s base salary ($1,460,160) and target MIP opportunity ($2,044,224). Mr. Coyle s amount represents his current base salary ($726,000) plus his target MIP opportunity ($617,100). Ms. Surface s amount includes two times her base salary ($550,000) and target annual bonus opportunity ($467,500).
(2) Mr. Ishrak s amount represents the value of the unvested RSUs ($14,469,842) and PBRSUs ($4,478,794) granted on June 13, 2011 using April 25, 2014 s closing price of $58.21. For purposes of this award, it is assumed the PBRSUs will pay out at a target level of performance.
(3) Amount represents payments welfare benefits for each Mr. Ishrak and Ms. Surface. Ms. Surface s amount also includes an estimate of placement services.

Change-of-Control Agreements: NEOs are not entitled to any benefits upon death, disability, early retirement, normal retirement or termination for cause other than those benefits that are offered to all employees. Under Medtronic s change-of-control agreements, no benefits are payable to an executive officer unless both a change of control and a termination of the executive for other than cause or for good reason as defined by the agreement occurs. This is known as a *double trigger*. Absent a change of control, the agreements do not require Medtronic to retain the executives or to pay them any specified level of compensation or benefits.

Each agreement provides that for three years after a change of control *the first trigger* there will be no adverse change in the executive s salary, bonus opportunity, benefits or location of employment. If during this three-year period the executive s employment is terminated by Medtronic other than for cause, or if the executive terminates their own employment for good reason (as defined in the agreements, and including compensation reductions, demotions, relocation and excess travel) the second trigger the executive is entitled to receive payment of accrued salary and annual and long-term incentives through the date of termination as well as accrued vacation pay, accrued pension benefits and any outstanding deferred compensation, and, except in the event of death or disability, a lump sum severance payment equal to three times the sum of his or her base salary and annual bonus. Additionally, the executive is entitled to certain retirement and welfare benefits as further described below. None of the change of control agreements include provisions for an excise tax gross up.

Generally, and subject to certain exceptions, a change of control is deemed to have occurred if:

a majority of Medtronic s Board of Directors becomes comprised of persons other than persons for whose election proxies have been solicited by the Board, or who are then serving as directors appointed by the Board to fill vacancies caused by death or resignation (but not removal) of a director or to fill newly created directorships;

another party becomes the beneficial owner of at least 30% of Medtronic s outstanding voting stock; or

Medtronic merges or consolidates with another party (other than certain limited types of mergers), or exchanges shares of voting stock of Medtronic for shares of another corporation pursuant to a statutory exchange, sells or otherwise disposes of all or substantially all of Medtronic s assets, or is liquidated or dissolved.

If a change of control of Medtronic occurs, awards under Medtronic s annual incentive plans will accelerate and, subject to certain limitations set forth in the plan, each participant will be entitled to a final award based on certain assumptions as to target performance and salary. On August 22, 2013, shareholders approved the Medtronic, Inc. 2013 Stock Award and Incentive Plan, which replaced Medtronic s 2008 Stock Award and Incentive Plan. For awards granted under the Medtronic, Inc. 2013 Stock Award and Incentive Plan, or the predecessor 2008 Stock Award and Incentive Plan, and related agreements, stock options will only become exercisable in full, and all restrictions under

such outstanding restricted stock or units (including PBRSUs) will only lapse, if the award is not replaced by a qualifying replacement award that satisfies certain conditions set forth in the plan or, if a replacement award is granted, upon termination of a participant s employment by the Company without cause or by the participant for good reason during the two years following the date of the change of control.

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If a change of control occurs during a plan year, subject to certain limitations, Medtronic s matching contribution to the 401(k) Plan will equal the greater of Medtronic s target percentage matching contribution, or if the change of control occurs after the first quarter of a plan year, the percentage contribution Medtronic would have made upon completion of the plan year based on performance as most recently projected by Medtronic prior to the change of control and disregarding the effects of the change of control.

The table below reflects estimated payments for Medtronic s NEOs as a result of the change of control agreements, assuming (1) the change of control occurred and (2) the Company terminates employment other than for cause or disability or the executive terminates employment for good reason, on April 25, 2014.

Name	Severance Amount[1][2][3]	Long-Term Performance Plan Payouts[4]	Accelerated Vesting of Stock Options[5]	Restricted Stock Unit Vesting[6]	Present Value of Increased Pension Benefits[7]	Other[8]	Total
Omar Ishrak	$ 10,878,291	$ 5,363,553	$ 8,633,271	$ 31,101,778	$ 1,004,014	$ 174,822	$ 57,155,729
Gary L. Ellis	$ 3,339,961	$ 1,489,065	$ 2,846,169	$ 3,411,572	$ 888,217	$ 98,535	$ 12,073,519
Christopher J. O Connell	$ 3,812,650	$ 1,427,492	$ 2,656,068	$ 3,202,423	$ 351,244	$ 110,559	$ 11,560,436
Michael J. Coyle	$ 4,094,651	$ 1,367,762	$ 2,642,168	$ 3,132,979	$ 0	$ 322,795	$ 11,560,355
Carol A. Surface	$ 3,102,008	$ 429,875	$ 18,456	$ 3,836,969	$ 0	$ 141,786	$ 7,529,094

(1) This amount is three times the sum of (a) the executive s base salary at the time of termination and (b) the greater of fiscal year 2014 s annual bonus or the average of the annual bonuses for the three most recently completed fiscal years.
(2) This amount has been reduced for Mr. Ellis so as to not incur excise taxes under Section 280G.
(3) Mr. Ishrak s amount includes the difference between the three-year average bonus and the fiscal year 2014 annual bonus because the three-year average bonus is greater than the fiscal year 2014 annual bonus.
(4) This amount represents the unvested projected payments of the 2013-2015 LTPP and the unvested projected payments of the 2014-2016 LTPP.
(5) This amount represents the market gain (or intrinsic value) of unvested options as of April 25, 2014 at the closing price on that date of $58.21.
(6) This amount represents the value of unvested restricted stock units and PBRSUs as of April 25, 2014 at the closing price on that date of $58.21.
(7) This amount reflects the estimated present value of additional pension benefits due to the NEO upon a change of control assuming an additional three years of age and service.
(8) This amount represents the estimated value of the continuation of Company contributions to certain retirement plans (including the 401(k) plan, the qualified and nonqualified plan), and health and miscellaneous welfare benefits for three years.

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Equity Compensation Plan Information

The following table provides information about Medtronic s common stock issuable upon the exercise of options, warrants and rights under all existing equity compensation plans in effect as of April 25, 2014, including the Medtronic, Inc. 2013 Stock Award and Incentive Plan, 2008 Stock Award and Incentive Plan, the Medtronic, Inc. 2003 Long-Term Incentive Plan, the Medtronic, Inc. 2005 Employees Stock Purchase Plan, the Medtronic, Inc. Kyphon Inc. 2002 Stock Plan and the 1998 Outside Director Stock Compensation Plan.

Plan Category	(a)[3] Number of securities to be issued upon exercise of outstanding options, warrants and rights	(b) Weighted average exercise price of outstanding options, warrants and rights	(c)[4] Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by security holders[1]	45,826,573	$ 34.67	76,593,251
Equity compensation plans not approved by security holders[2]	163,855	$ 30.63	0

(1) Awards under the Medtronic, Inc. 2013 Stock Award and Incentive Plan may consist of stock options, stock appreciation rights, restricted stock, performance-based restricted stock, restricted stock units, other stock-based awards and performance cash awards. No more than 5% of the shares will be granted pursuant to restricted stock awards if such award will vest in full prior to three years from the award date or if a condition to such vesting is based, in whole or in part, upon performance of the shares or any aspect of Medtronic s operations and such vesting could occur over a period of less than one year from the award date.

(2) The table includes information regarding options, warrants or rights assumed in connection with acquisitions completed prior to April 25, 2014. In connection with such acquisitions, Medtronic has assumed options, warrants and rights to purchase securities of the acquired company that were outstanding at the time of the acquisition, and has treated these as options, warrants and rights to acquire Medtronic common stock based upon conversion ratios negotiated in each acquisition. As of April 25, 2014, 157,806 shares of Medtronic common stock were issuable upon the exercise of options, warrants and rights assumed in connection with acquisitions and the weighted average exercise price of such options, warrants and rights was $30.02 per share. No additional options, warrants or rights may be granted under the plans that govern options, warrants or rights assumed in connection with acquisitions.

(3) Column (a) includes 35,412,979 shares issuable upon exercise of outstanding options, with a weighted average exercise price of $44.87and the following equity awards which increase the number of shares in column (a) and decrease the number of shares in column (c): 9,556,988 restricted stock units in approved plans, 490,651 dividend equivalent units in approved plans, 137,224 shares issuable pursuant to a non-qualified employee stock ownership plan in approved plans, and 228,731 vested units or exercised shares deferred and not yet issued in approved plans.

(4) Column (c) includes 6,363,025 shares available for issuance as of April 25, 2014 under the Medtronic, Inc. 2005 Employees Stock Purchase Plan and 70,230,226 shares available for issuance as of April 25, 2014 under the Medtronic, Inc. 2013 Stock Award and Incentive Plan.

Related Transactions

In January 2007, the board of directors of Medtronic adopted written related party transaction policies and procedures and amended such policies and procedures in March 2011. The policies require that all interested transactions between Medtronic and a related party are subject to approval or ratification by Medtronic s Nominating and Corporate Governance Committee. In determining whether to approve or ratify such transactions, Medtronic s Nominating and Corporate Governance Committee will take into account, among other factors it deems appropriate, whether the interested transaction is on the same terms as are generally available to an unaffiliated third-party under the same or similar circumstances and the extent of the related person s interest

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in the transaction. In addition, Medtronic s Nominating and Corporate Governance Committee has reviewed a list of interested transactions and deemed them to be pre-approved or ratified. Also, the board of directors of Medtronic has delegated to the chair of Medtronic s Nominating and Corporate Governance Committee the authority to pre-approve or ratify any interested transaction in which the aggregate amount is expected to be less than $1 million. Finally, the policies provide that no director shall participate in any discussion or approval of an interested transaction for which he or she is a related party, except that the director shall provide all material information concerning the interested transaction to Medtronic s Nominating and Corporate Governance Committee.

Under the policies, an interested transaction is defined as any transaction, arrangement or relationship or series of similar transactions, arrangements or relationships (including any indebtedness or any guarantee of indebtedness) in which:

the aggregate amount involved will or may be expected to exceed $120,000 in any twelve-month period;

Medtronic is a participant; and

any related party has or will have a direct or indirect interest (other than solely as a result of being a director or a less than 10 percent beneficial owner of another entity).

A related party is defined as any:

person who is or was (since the beginning of the last fiscal year for which Medtronic has filed a Form 10-K and proxy statement, even if they do not presently serve in that role) an executive officer, director or nominee for election as a director;

greater than five percent beneficial owner of Medtronic s common stock; or

immediate family member of any of the foregoing.

During fiscal year 2014, Tino Schuler, a son of former Medtronic director Jack W. Schuler, was employed by Medtronic as one of a number of senior marketing directors focused on Medtronic s core ear, nose, and throat product lines reporting to a Vice President, Marketing of Medtronic s core ear, nose, and throat product lines. Mr. Tino Schuler worked for Xomed Surgical Products, Inc. (Xomed) beginning in August 1993, and Xomed, the predecessor to our core ear, nose, and throat business, was acquired by Medtronic in 1999. In fiscal year 2014, Medtronic s Surgical Technologies business, which includes the core ear, nose, and throat product lines, represented approximately 9% of Medtronic world-wide revenue. Mr. Tino Schuler was paid an aggregate salary and bonus of $266,011 and the standard benefits provided to other non-executive Medtronic employees for his services during fiscal year 2014. Mr. Tino Schuler is not an executive officer of, and does not have a key strategic role within, Medtronic.

During fiscal year 2015, Sarah Powell, a daughter of Medtronic director Kendall J. Powell, is expected to be employed by Medtronic as a Senior Leadership Development Rotation Program Associate. The Leadership

Development Rotation Program is a three-year program designed to place high-potential, high-performing graduates of an MBA program in two 18-month placements in different business units of Medtronic. The aggregate value of the compensation to be paid to Ms. Sarah Powell during fiscal year 2015 is expected to be approximately $145,000, which includes salary, bonus and incentive payments and stock options. In addition, Ms. Powell will receive the standard benefits provided to other non-executive Medtronic employees for her services during fiscal year 2015. Ms. Sarah Powell will not be an executive officer of, and will not have a key strategic role within, Medtronic.

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MEDTRONIC S 2014 EMPLOYEES STOCK PURCHASE PLAN

As used in this section, references to the company, the Company, we, us or our refer to Medtronic (and not, for the avoidance of doubt, to Covidien or New Medtronic).

Medtronic has provided some form of stock purchase plan for employees since 1970. The last phase of the current stock purchase plan expires at the end of December 2014. Medtronic s board of directors believes that Medtronic s stock purchase plans have played an important role in retaining employees and giving employees a sense that they have an important stake in Medtronic s affairs. As a result, Medtronic s board of directors adopted, subject to shareholder approval at its annual meeting for the year 2014 scheduled for August 21, 2014, the Medtronic, Inc. 2014 Employees Stock Purchase Plan (the 2014 Plan), and has reserved 22 million shares of Medtronic common stock for issuance pursuant to the 2014 Plan (subject to adjustment as described below). The 2014 Plan is designed to qualify as an employee stock purchase plan under Section 423 of the Code.

It is expected that, upon and subject to the consummation of the scheme, New Medtronic will assume the 2014 Plan, outstanding rights under the 2014 Plan will be converted on a one-for-one basis into rights to acquire ordinary shares of New Medtronic at the existing price per share, and the remaining shares issuable under the 2014 Plan at the time of the assumption will be converted into an equal number of New Medtronic shares. It is not anticipated that any changes will be made to the 2014 Plan, other than those changes necessary to reflect the assumption of the 2014 Plan by New Medtronic. The following summary describes the terms of the 2014 Plan that we expect will apply following the assumption of the 2014 Plan by New Medtronic.

Based on estimates from prior year share purchases, the total forecasted share balance of 22 million shares should be sufficient for a ten year program period, which is the maximum duration of the 2014 Plan. Shares issued under the 2014 Plan are intended to fully comply with the following design provisions and dilution standards prescribed by proxy advisory firms:

- Purchase price of at least 85% of fair market value on the date of purchase, resulting in minimal dilution to shareholders;
- Offering period of 27 months or less and a 12-month holding period requirement on purchased shares from the last day of the offering period; and
- The percentage of outstanding shares allocated to the plan will be approximately 1.9% of total common shares outstanding, which is well below the 10% threshold prescribed by proxy advisory firms.

The description of the 2014 Plan set forth below is a summary only, does not purport to be complete and is qualified in its entirety by reference to the provisions of the 2014 Plan itself, which is included as Exhibit 10.57 to this joint proxy statement/prospectus.

Description of the 2014 Plan

Administration. We anticipate that the administration of the 2014 Plan will be vested in a committee appointed by the New Medtronic board of directors that will consist of three or more directors who are considered to be non-employee directors within the meaning of Rule 16b-3 of the Exchange Act (the **Committee**). Subject to the express provisions

of the 2014 Plan, the Committee will have authority, in its discretion, to interpret and construe any and all provisions of the 2014 Plan, adopt rules and regulations for administering the 2014 Plan and make all other determinations deemed necessary or advisable for administering the 2014 Plan.

Eligibility and Participation. All employees of New Medtronic and all of its subsidiaries (except for those subsidiaries specifically excluded from participation by New Medtronic s board of directors or the Committee) will be eligible to participate in the 2014 Plan. No employee will be permitted to purchase more than $25,000 of New Medtronic ordinary shares in any calendar year (based upon the fair market value of the stock as determined

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at the time the option is granted). Currently, approximately 45,830 employees are eligible to participate in Medtronic s 2005 Employee Stock Purchase Plan and Medtronic anticipates that all such employees will be eligible to participate in the 2014 Plan.

Participation in the 2014 Plan will be voluntary. An eligible employee may elect to participate in the 2014 Plan for any purchase period by completing the requisite payroll deduction form and delivering it to his or her employer no later than the date preceding the beginning date of the purchase period specified by New Medtronic s Senior Vice President, Human Resources (or such other individual designated by the Committee). An employee may also increase his or her participation for any subsequent purchase period by submitting a new payroll deduction form during the enrollment period prior to that purchase period. An employee who elects to participate in the 2014 Plan for any purchase period will be deemed to have elected to participate in the 2014 Plan for each subsequent consecutive purchase period unless he or she elects to discontinue payroll deductions during a purchase period or exercises his or her right to withdraw all amounts previously withheld. In this event, the employee must submit a change of election form or a new payroll deduction form, as applicable, to participate in the 2014 Plan for any subsequent purchase period.

Duration and Purchase Periods. Assuming approval by Medtronic s shareholders at its annual meeting for the year 2014, the 2014 Plan will begin on January 1, 2015, and will terminate ten years thereafter, unless extended by the Medtronic board of directors. The 2014 Plan will be carried out in a series of consecutive purchase periods. The first purchase period will begin on January 1, 2015, and end on March 31, 2015, with succeeding quarterly purchase periods following consecutively thereafter immediately after the previous purchase period has ended.

Before the commencement of each purchase period, employees may elect to have from 2% to 10% of their cash compensation withheld each pay period, or such other amounts as the Committee or New Medtronic s Senior Vice President, Human Resources (or such other individual designated by the Committee) may from time to time establish, up to a maximum of 15% of the employee s cash compensation. An employee may not increase his or her elected percentage for a purchase period after the delivery deadline, but an employee may reduce or discontinue entirely his or her elected percentage for the purchase period at any time by filing an amended election form within 10 days prior to the first payroll date as of which such decrease or discontinued deduction is to become effective, or such other date determined by the Committee or its designee. At the end of the purchase period, each employee will have an option to purchase whole New Medtronic ordinary shares using some or all of the funds the employee has had withheld during the purchase period. The purchase price per share will be 85% of the fair market value of New Medtronic ordinary shares on the last day of the purchase period. Employees are not permitted to sell or otherwise transfer ownership of the shares until the one-year anniversary of the date on which the shares are issued. Further, the Committee may require that employees not transfer such shares for any additional period determined by the Committee to be necessary to ensure that New Medtronic or any of its subsidiaries is able to meet the reporting requirements pursuant to Section 423 of the Code.

Withdrawal and Termination of Employment. An employee may, preceding the termination date of a purchase period, withdraw all payroll deductions then credited to his or her account by giving written notice to his or her employer. Upon receipt of such notice of withdrawal, all payroll deductions credited to the employee s account will be paid to him or her, without any earned interest credited and no further payroll deductions will be made for such employee during that purchase period. Partial withdrawals of payroll deductions are not permitted.

If an employee s employment is terminated for any reason prior to the termination date of any purchase period in which he or she is participating, no option will be granted to such employee and the payroll deductions credited to his or her account will be returned to the employee. If an employee dies before the termination date of any purchase period in which he or she was participating, the payroll deductions credited to the participant s account will be paid to

the participant s estate.

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Adjustments, Amendments and Termination. Under the 2014 Plan, if the issued and outstanding New Medtronic ordinary shares are changed into or exchanged for a different number or kind of shares or securities of New Medtronic or of another issuer, or if additional shares or new or different securities are distributed with respect to the outstanding New Medtronic ordinary shares, through a reorganization or merger to which New Medtronic is a party, or through a combination, consolidation, recapitalization, reclassification, stock split, stock dividend, reverse stock split, spin-off transaction, stock consolidation or other capital change or adjustment, effected without receipt of consideration by New Medtronic, or if the value of outstanding ordinary shares are substantially reduced as a result of a spin-off transaction or an extraordinary dividend or distribution, then equitable adjustments shall automatically be made to the maximum number and class of securities issuable under the 2014 Plan, the number and class of securities and the price per share in effect under each outstanding option and the maximum number and class of securities purchasable by each participant (or in total by all participants if any such limitation is in effect) under the 2014 Plan on any one purchase date.

In the event of certain corporate transactions (including, without limitation, a dissolution or liquidation, a sale of substantially all of the assets, a merger, consolidation or reorganization, or a statutory share exchange), the New Medtronic board of directors may either: (i) amend or adjust the provisions of the 2014 Plan to provide for the acceleration of the current purchase period and the exercise of options under such period; or (ii) continue the 2014 Plan with respect to completion of the then current purchase period and the exercise of options under such period. In the event that the 2014 Plan is continued, employees will have the right to exercise their options as to an equivalent number of shares of stock of the corporation succeeding New Medtronic by reason of such corporate transaction, as provided pursuant to Section 424(a) of the Code, or any successor provision.

The 2014 Plan may be terminated at any time by the board of directors provided that (except as set forth above in the event of certain corporate transactions) no termination will take effect with respect to any completed purchase period. Also, the New Medtronic board of directors may amend the 2014 Plan as it may deem proper and in the best interests of New Medtronic or as may be necessary to comply with Section 423 of the Code or other applicable laws or regulations, provided that no such amendment shall, without prior approval of the New Medtronic shareholders: (i) increase the total number of shares for which options may be granted under the 2014 Plan (except as set forth above in the event of certain corporate transactions); (ii) permit payroll deductions at a rate in excess of 10% of an employee s compensation, or such other permissible maximum contribution established by the Committee or New Medtronic s Senior Vice President, Human Resources (or such other individual designated by the Committee); (iii) impair any outstanding option without the employee s consent (except as described above in the event of certain corporate transactions); (iv) change the employees or class of employees eligible to participate under the 2014 Plan, or (v) materially increase the benefits accruing to employees under the 2014 Plan.

The Committee or New Medtronic s Senior Vice President, Chief Human Resources Officer (or such other individual as may be designated by the Committee) may, in order to comply with the laws in other countries in which New Medtronic and its subsidiaries operate or have participants, modify the terms and conditions of the 2014 Plan as applicable to individuals outside the United States to comply with applicable foreign laws; establish sub-plans and modify administrative procedures and other terms and procedures, to the extent such actions may be necessary or advisable; and (iii) take any action deemed advisable to comply with any necessary local governmental regulatory exemptions or approvals; provided, however, that no action may be taken that would violate any securities law, tax law or any other applicable law or cause the 2014 Plan not to comply with Section 423 of the Code.

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New Plan Benefits

Participation in the 2014 Plan will be voluntary and will be dependent on each eligible employee s election to participate and his or her determination as to the level of payroll deduction. Accordingly, future purchases under the 2014 Plan are not determinable. The table below sets forth certain information regarding potential benefits in fiscal 2015 under the 2014 Plan. For purposes of this table, it is assumed that participation in the 2014 Plan will be identical to that in the Medtronic 2005 Employee Stock Purchase Plan during fiscal 2014.

	Estimated Benefits as of April 25, 2015	
Name and Position	Number of Shares Purchased (#)	Purchase Price Per Share ($)[1]
Omar Ishrak	0	$ 47.53
Gary L. Ellis	0	$ 47.53
Christopher J. O Connell	0	$ 47.53
Michael J. Coyle	0	$ 47.53
Carol A. Surface	0	$ 47.53
All executive officers as a group	0	$ 47.53
All directors who are not executive officers as a group	0	$ 47.53
All non-executive officer employees as a group	1,572,198	$ 47.53

(1) This reflects the average purchase price during fiscal year 2014.

Federal Income Tax Consequences

The 2014 Plan will be intended to qualify as an employee stock purchase plan within the meaning of Section 423 of the Code. Under a plan which so qualifies, an eligible employee recognizes no taxable income upon either the grant or the exercise of the option. The employee does not recognize taxable income until there is a sale or other disposition of the shares acquired under the plan or in the event the participant should die while still owning the purchased shares.

Under the 2014 Plan, the grant date and the exercise date for a purchase period will be deemed to be the same date, that is, the last day of a purchase period. Employees who hold their shares for at least two years from this date or who die while holding their shares will have ordinary income in the year they sell or otherwise dispose of their shares equal to the 15% discount on the price paid for the shares, or if less, the excess of the fair market value of the shares at the time of disposition or death over the price paid for the shares. Any additional gain or loss will be treated as long-term capital gain or loss. If the holding periods have been satisfied when the employee sells the shares or if the employee dies while holding the shares, a U.S. entity that employs the employee will not be entitled to any U.S. tax deduction in connection with the shares.

If an employee sells the shares before the two-year holding period is satisfied, the sale will be treated as a disqualifying disposition. The consequences of a disqualifying disposition are that the employee has ordinary income in the year of the disposition equal to the 15% discount on the price paid for the shares, regardless of the value of the shares at that time. Any additional gain or loss on the sale will be treated as short or long-term capital gain or loss, depending on how long the employee has held the shares after the date he or she purchased them. (If the shares are held for a year or longer, the gain or loss will be long-term.) A U.S. entity that employs the employee will be entitled to a deduction equal to the amount that the employee includes into ordinary income, that is, the 15% discount, subject

to the employing entity s requirement to report the income (assuming that the employee is subject to U.S. income tax). The employing entity is entitled to this deduction for its taxable year within which the employee s taxable year ends during which the disqualifying disposition occurred.

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THE TRANSACTION AGREEMENT

The following is a summary of certain material terms of the Transaction Agreement, including the conditions appendix and is qualified in its entirety by reference to (i) the complete text of the Transaction Agreement, which is incorporated into this joint proxy statement/prospectus by reference and attached as Annex A to this joint proxy statement/prospectus, and (ii) the complete text of the conditions appendix, which is incorporated into the joint proxy statement/prospectus by reference and attached as Annex B to this joint proxy statement/prospectus. This summary is not intended to provide you with any other factual information about Medtronic, Covidien or New Medtronic. We urge you to read carefully this entire proxy statement/prospectus, including the Annexes and the documents incorporated by reference. You should also review the section entitled Where You Can Find More Information.

Structure of the Transaction

The Transaction Agreement provides, upon the terms set forth therein and subject to the conditions set forth in the conditions appendix, for two transactions involving Medtronic and Covidien, respectively. First, New Medtronic and IrSub will acquire Covidien by means of a scheme of arrangement under Section 201, involving the cancellation of the issued share capital of Covidien under Sections 72 and 74, of the Irish Companies Act 1963. Second, immediately following and conditioned on the consummation of the scheme, MergerSub will merge with and into Medtronic, the separate corporate existence of MergerSub will cease and Medtronic will continue as the surviving corporation. As a result of the transaction, both Medtronic and Covidien will become wholly owned subsidiaries of New Medtronic, whose ordinary shares are expected to be listed for trading on the NYSE under the ticker symbol MDT.

Closing of the Transaction

The closing will occur on a date selected by Medtronic in consultation with Covidien, but in any event not later than the third business day after satisfaction or waiver, where applicable, of the conditions set forth in the conditions appendix, or on such other date as may be mutually agreed to by Medtronic and Covidien in writing. For a description of the conditions to the closing of the acquisition and the merger, see the section entitled *Conditions to the Completion of the Acquisition and Merger* beginning on page 308 of this joint proxy statement/prospectus.

Scheme Consideration to Covidien Shareholders

At the effective time of the scheme, each Covidien ordinary share issued and outstanding at or before 10:00 p.m., Irish time, on the last business day before the scheme becomes effective will be cancelled or transferred to New Medtronic and the holder thereof will receive (x) 0.956 of a New Medtronic ordinary share, which will be duly authorized, validly issued, fully paid and non-assessable and free of liens and pre-emptive rights, and (y) $35.19 in cash; provided that Covidien shareholders will not receive any fractional shares of New Medtronic pursuant to the acquisition. Such fractional shares will instead be aggregated and sold in the market by the exchange agent, with the net proceeds of any such sale distributed in cash pro rata to the Covidien shareholders whose fractional entitlements have been sold. Each New Medtronic ordinary share will be issued in accordance with, and subject to the rights and obligations of, the memorandum and articles of association of New Medtronic, which are expected to be amended and restated prior to the effective time to read substantially in the form attached hereto as Annex D. For a comparison of the rights and privileges of a holder of ordinary shares of New Medtronic as compared to a holder of ordinary shares of Covidien, please see *Comparison of the Rights of Holders of Covidien Ordinary Shares and New Medtronic Ordinary Shares* beginning on page 370 of this joint proxy statement/prospectus.

Transaction Consideration to Medtronic Shareholders

At the effective time of the merger, each outstanding share of Medtronic common stock will be cancelled and automatically converted into the right to receive one New Medtronic ordinary share from or at the direction

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of MergerSub; provided that Medtronic shareholders will not receive any fractional shares of New Medtronic pursuant to the merger. Such fractional shares will instead be aggregated and sold in the market by the exchange agent, with the net proceeds of any such sale distributed in cash pro rata to the Medtronic shareholders whose fractional entitlements have been sold. Each New Medtronic ordinary share will be issued in accordance with, and subject to the rights and obligations of, the memorandum and articles of association of New Medtronic, which are expected to be amended and restated prior to the effective time to read substantially in the form attached hereto as Annex D. For a comparison of the rights and privileges of a holder of ordinary shares of New Medtronic as compared to a holder of shares of Medtronic, please see *Comparison of the Rights of Holders of Medtronic Common Shares and New Medtronic Ordinary Shares* beginning on page 338 of this joint proxy statement/prospectus.

Treatment of Covidien Stock Options and Covidien Share Awards

Treatment of Covidien Options

Each option to purchase Covidien ordinary shares that is outstanding and unexercised immediately prior to the effective time of the scheme will be assumed by New Medtronic and will be converted into an option to acquire a number of New Medtronic ordinary shares (rounded down to the nearest whole share) equal to the product obtained by multiplying (a) the number of Covidien ordinary shares subject to the Covidien option by (b) the equity award conversion ratio (rounded down to the nearest whole share), at an exercise price (rounded up to the nearest whole cent) per New Medtronic ordinary share equal to the quotient obtained by dividing (i) the exercise price per Covidien ordinary share by (ii) the equity award conversion ratio (rounded up to the nearest whole cent). Each New Medtronic option as so assumed and converted will otherwise continue to have, and will otherwise be subject to, the same terms and conditions as applied to the applicable Covidien option immediately prior to the effective time of the scheme.

Treatment of Covidien Share Awards

Covidien Share Awards Granted Prior to June 15, 2014. Each Covidien share award that is outstanding immediately prior to the effective time of the scheme and was granted prior to June 15, 2014 will be cancelled and converted into the right to receive the scheme consideration in respect of each Covidien ordinary share underlying the Covidien share award (including any corresponding dividend equivalent units), less applicable tax withholdings (which will be deducted first from the share portion of such consideration and then from the cash portion). For any performance-based Covidien share award (including any corresponding dividend equivalent units), the number of ordinary shares underlying the Covidien share award will be based on actual performance measured over a 60 trading day period that ends on the sixth business day prior to the effective time of the scheme.

Covidien Share Awards Granted On or After June 15, 2014. Each Covidien share award that is outstanding immediately prior to the effective time of the scheme and was granted on or after June 15, 2014 will be converted into a New Medtronic award with respect to a number of New Medtronic ordinary shares (rounded to the nearest whole share) equal to the product obtained by multiplying (a) the number of Covidien ordinary shares subject to the Covidien share award (including any corresponding dividend equivalent units) immediately prior to the effective time of the scheme by (b) the equity award conversion ratio. Each New Medtronic share award as so assumed and converted will continue to have, and will be subject to, the same terms and conditions as applied to the applicable Covidien share award immediately prior to the effective time of the scheme.

Treatment of Medtronic Stock Options and Other Medtronic Equity-Based Awards

At the effective time of the merger, each outstanding Medtronic option, restricted stock award and other equity award will be converted into an option, restricted stock award or other equity award, as applicable, denominated in New

Medtronic ordinary shares, which award will be subject to the same number of New

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Medtronic ordinary shares and the same terms and conditions (including vesting and other lapse restrictions) as were applicable to the Medtronic award in respect of which it was issued immediately prior to the effective time, subject to any restrictions under Irish law on replicating such terms and conditions.

Exchange of Covidien Ordinary Shares

An exchange agent appointed by Medtronic and reasonably acceptable to Covidien will act as exchange agent. On or immediately after the effective time of the scheme, New Medtronic and IrSub, as the case may be, will deposit, or cause to be deposited, with the exchange agent (i) certificates or, at New Medtronic s option, book-entry shares representing the total number of New Medtronic ordinary shares issuable pursuant to the acquisition, (ii) cash in an amount equal to the aggregate amount of the cash consideration payable to Covidien s shareholders and (iii) cash in lieu of fractional shares to be received by the shareholders of Covidien pursuant to the transaction (in each case, after giving effect to any required tax withholding). As soon as reasonably practicable (and in any event within five business days) after the effective time of the scheme, the exchange agent will mail each holder of record of Covidien ordinary shares (other than Medtronic or any of its affiliates) a letter of transmittal and instructions for use in receiving payment of the consideration owed to them pursuant to the acquisition. Beneficial holders whose shares are held in street name must follow any directions given to them by their broker, bank or other nominee in connection with their receipt of the scheme consideration. See *Scheme Consideration to Covidien Shareholders*.

Each holder of ordinary shares of Covidien (other than with respect to certain Covidien ordinary shares to be held by nominees on behalf of New Medtronic and/or IrSub in connection with the transaction) will be entitled to receive from the exchange agent (on behalf of New Medtronic and IrSub), within 14 days of the effective time of the scheme: (i) the amount of cash consideration payable in respect of such holder s Covidien ordinary shares pursuant to the terms of the acquisition; (ii) the amount of any cash payable in lieu of fractional shares; and (iii) that number of New Medtronic ordinary shares into which such holder s Covidien ordinary shares became entitled pursuant to the terms of the acquisition. See *Scheme Consideration to Covidien Shareholders*.

Exchange of Medtronic Shares

At the effective time of the merger, MergerSub will deposit or cause to be deposited certificates or, at New Medtronic s option, evidence of shares in book-entry form representing the aggregate number of New Medtronic ordinary shares that the Medtronic shareholders have the right to receive pursuant to the merger. As soon as reasonably practicable (and in any event within five business days) after the effective time of the merger, the exchange agent will mail each holder of record of Medtronic shares a letter of transmittal and instructions for use in surrendering the Medtronic shares in exchange for the consideration owed to them pursuant to the merger. See *Transaction Consideration to Medtronic Shareholders*.

Upon surrender of Medtronic shares for cancellation to the exchange agent, together with a duly executed letter of transmittal and any other documents reasonably required by the exchange agent, the holder of such Medtronic shares is entitled to receive in exchange: (i) that number of New Medtronic ordinary shares into which such holder s Medtronic shares were converted pursuant to the terms of the Transaction Agreement (see *Transaction Consideration to Medtronic Shareholders*) and (ii) a check in the amount of U.S. dollars equal to, (x) to the extent not previously paid to such holder, any cash dividends with respect to New Medtronic ordinary shares with a record date after the effective time of the merger and a payment date prior to the holder s surrender of the Medtronic shares and (y) any fractional entitlements with respect to Medtronic shares. The properly surrendered Medtronic shares will be cancelled.

Representations and Warranties

Medtronic, New Medtronic and Covidien made customary representations and warranties in the Transaction Agreement on behalf of themselves and their respective subsidiaries that are subject, in some cases, to specified

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exceptions and qualifications contained in the Transaction Agreement or in certain disclosure schedules to the Transaction Agreement. The representations and warranties made by Medtronic, New Medtronic and Covidien are also subject to and qualified by certain information included in filings Medtronic and Covidien have made with the SEC.

Many of the representations and warranties are reciprocal and apply to Medtronic or New Medtronic, on the one hand, or Covidien, on the other hand, and their respective subsidiaries. Some of the more significant representations and warranties relate to:

- corporate organization, existence and good standing and requisite corporate power and authority to carry on business;
- capital structure;
- corporate authority to enter into the Transaction Agreement and the expenses reimbursement agreement and the enforceability thereof;
- required governmental approvals;
- the absence of any breach or violation of organizational documents or contracts as a result of the consummation of the transaction;
- SEC reports and financial statements, including their preparation in accordance with U.S. GAAP, filing or furnishing with the SEC, and compliance with applicable rules and regulations, and that such reports and financial statements fairly present, in all material respects, the relevant financial position and results of operations;
- the maintenance of internal disclosure controls and internal control over financial reporting;
- the absence of undisclosed material liabilities that have had or could reasonably be expected to have, individually or in the aggregate, a material adverse effect;
- compliance with laws and government regulations, including environmental laws;
- compliance with applicable laws related to employee benefits and the Employee Retirement Income Security Act of 1974, as amended;

the absence of certain changes since September 27, 2013, for Covidien, and April 25, 2014, for Medtronic, that have had or would reasonably be expected to have, individually or in the aggregate, a material adverse effect;

the absence of certain material litigation, claims and actions;

the reliability and accuracy of information supplied for this joint proxy statement/prospectus and any other documents filed or furnished to the Irish High Court, the SEC or pursuant to the Irish Companies Act 1963 and the Irish Takeover Panel Act 1997 (as amended), Takeover Rules, 2013, as amended, in each case in connection with the transaction;

certain regulatory matters relating to, among other things, the Federal Food, Drug and Cosmetic Act of 1938, as amended, and other U.S. and foreign healthcare laws;

certain tax matters;

the absence of collective bargaining agreements and other employment and labor matters;

ownership of or right to intellectual property, and absence of infringement;

title and rights to, and condition of, real property;

the receipt of a fairness opinion;

the requisite vote of shareholders necessary to consummate the transaction;

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the existence of and compliance with certain material contracts;

the existence and maintenance of insurance;

the absence of undisclosed brokers fees or finders fees relating to the transaction;

compliance with the FCPA, and certain anti-corruption laws in other jurisdictions; and

the inapplicability of anti-takeover statutes, regulations and regulations to the parties to the Transaction Agreement and to the transaction.

Medtronic made additional representations and warranties in the Transaction Agreement in relation to:

the business and capitalization of New Medtronic, IrSub, U.S. AcquisitionCo and MergerSub; and

the availability of financing to New Medtronic.

Under the Transaction Agreement, the parties agreed that, except for the representations and warranties expressly contained in the Transaction Agreement, neither Medtronic nor Covidien made any other representation or warranty.

Many of the representations and warranties made by each of Medtronic, New Medtronic and Covidien are qualified by a material adverse effect standard. For the purpose of the Transaction Agreement, a material adverse effect with respect to each of Medtronic and Covidien means the following:

an event, development, occurrence, state of facts or change that has (1) a material adverse effect on the ability of the relevant party and its subsidiaries to consummate the transactions contemplated by the Transaction Agreement or (2) a material adverse effect on the business, operations or financial condition of the relevant party and its subsidiaries, taken as a whole, but, in the case of item (2), excluding those events, developments, occurrences, states of facts or changes to the extent arising from:

(i) changes generally affecting the medical device or medical supplies industries, for Covidien, or the segments thereof in which Covidien operates, or the medical device industry, for Medtronic, or the segments thereof in which Medtronic operates; (ii) changes generally affecting the economy or the financial, debt, credit or securities markets; (iii) changes in any political conditions or developments in general, or resulting from any outbreak or escalation of hostilities, acts of war or terrorism; (iv) changes or proposed changes in rules, regulations or law, regulatory conditions or U.S. GAAP or other accounting standards (provided that each of the events in (i) through (iv) above may be taken into account to the extent Medtronic or Covidien is disproportionately affected relative to other similarly situated companies); or (v) actions of the relevant party or any of its subsidiaries which the other party expressly requested in writing;

any decline in the trading price of the shares of the relevant party on the NYSE or any failure to meet internal or published projections, forecasts or revenue or earning predictions for any period (provided that the underlying causes of such decline or failure may, to the extent not otherwise excluded, be considered in determining whether there is a material adverse effect); or

those events, developments, occurrences, states of facts or changes resulting from the announcement or existence of the Transaction Agreement or the contemplated transaction, and compliance with the Transaction Agreement, including any litigation resulting therefrom or with respect thereto.

THE DESCRIPTION OF THE TRANSACTION AGREEMENT IN THIS JOINT PROXY STATEMENT/PROSPECTUS HAS BEEN INCLUDED TO PROVIDE YOU WITH INFORMATION REGARDING ITS TERMS. THE TRANSACTION AGREEMENT CONTAINS REPRESENTATIONS AND WARRANTIES MADE BY AND TO THE PARTIES AS OF SPECIFIC DATES. THE STATEMENTS EMBODIED IN THOSE REPRESENTATIONS AND WARRANTIES WERE MADE FOR PURPOSES OF THE CONTRACT BETWEEN THE PARTIES AND ARE SUBJECT TO QUALIFICATIONS AND LIMITATIONS AGREED BY THE PARTIES IN CONNECTION WITH NEGOTIATING THE TERMS OF THE TRANSACTION

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AGREEMENT AND IN SOME CASES WERE QUALIFIED BY CONFIDENTIAL DISCLOSURES MADE BY THE PARTIES, WHICH DISCLOSURES ARE NOT REFLECTED IN THE TRANSACTION AGREEMENT. IN ADDITION, CERTAIN REPRESENTATIONS AND WARRANTIES WERE MADE AS OF A SPECIFIED DATE OR MAY HAVE BEEN USED FOR THE PURPOSE OF ALLOCATING RISK BETWEEN THE PARTIES RATHER THAN ESTABLISHING MATTERS AS FACTS.

Covenants and Agreements

Medtronic and Covidien agreed to certain covenants and agreements in the Transaction Agreement on behalf of themselves and their respective subsidiaries that are subject, in some cases, to specified exceptions and qualifications contained in the Transaction Agreement or in certain disclosure schedules to the Transaction Agreement.

Shareholders Meetings and Recommendations

Covidien has agreed to (i) convene the special Court-ordered meeting to approve the scheme of arrangement and (ii) convene the EGM as soon as the special Court-ordered meeting has concluded or adjourned, in order to approve the EGM resolutions required to effect the scheme, subject to the specified exception described in *Termination* below. Additionally, the board of directors of Covidien has, subject to the specified exceptions described in *Third-Party Acquisition Proposals* below, recommended that Covidien s shareholders vote to approve the scheme of arrangement at the special Court-ordered meeting and vote to approve the EGM resolutions required to effect the scheme at the EGM.

Medtronic has agreed to hold a meeting of its shareholders to vote on the approval of the plan of merger set forth in the Transaction Agreement and the board of directors of Medtronic has recommended that Medtronic s shareholders vote in favor of the approval of the plan of merger set forth in the Transaction Agreement, subject to the specified exceptions described in *Third-Party Acquisition Proposals* below.

Both Medtronic and Covidien agreed to use reasonable best efforts to submit to the vote of their respective shareholders at the respective shareholder meetings a resolution to approve the creation of distributable reserves, by reducing the share premium account of New Medtronic resulting from the issuance of New Medtronic ordinary shares pursuant to the scheme (see *Creation of Distributable Reserves of New Medtronic*). The parties have agreed that the respective approvals of the resolutions to approve the creation of distributable reserves of New Medtronic will not be a condition to the parties obligation to effect the acquisition or the merger.

Third-Party Acquisition Proposals

Both Medtronic and Covidien have agreed in the Transaction Agreement that each of Medtronic and Covidien and their respective subsidiaries will not, and they will use reasonable best efforts to cause their representatives not to, directly or indirectly:

- solicit, initiate or knowingly encourage any enquiry with respect to, or the making or submission of, any Medtronic Alternative Proposal or Covidien Alternative Proposal (each, an Alternative Proposal, as applicable, and as defined below);

participate in any discussions or negotiations regarding an Alternative Proposal with, or furnish any non-public information regarding an Alternative Proposal to, any person that has made or, to Medtronic s or Covidien s knowledge (as applicable), is considering making an Alternative Proposal; or

waive, terminate, modify or fail to use reasonable best efforts to enforce any standstill or similar obligation of any person with respect to Medtronic or Covidien or any of their respective subsidiaries (provided that Medtronic or Covidien will not be required to take, or be prohibited from taking, any action otherwise prohibited or required by the subclause described in this bullet if the board of directors of Medtronic or

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Covidien (as applicable) determines in good faith (after consultation with Medtronic s or Covidien s legal advisors, as applicable) that such action or inaction would be reasonably likely to be inconsistent with the directors fiduciary duties).

However, if Medtronic or Covidien receives a written Alternative Proposal or enquiry or proposal from a person who is intending on making an Alternative Proposal, and the board of directors of Medtronic or Covidien, as applicable, determines in good faith (after consultation with Medtronic s or Covidien s financial advisor and legal counsel, as applicable) that (i) such Alternative Proposal, enquiry or proposal either constitutes a Medtronic Superior Proposal (as defined below) or Covidien Superior Proposal (as defined below), as applicable, or could reasonably be expected to result in a Medtronic Superior Proposal or Covidien Superior Proposal, as applicable, and (ii) the failure to take the actions described in the next two bullets below would be reasonably likely to be inconsistent with the directors fiduciary duties, and the proposal was made after the date of the Transaction Agreement and did not result from a breach of the restrictions described above, each of Medtronic or Covidien, as applicable, may:

furnish to such third party (and any persons acting in concert with such third party and to their respective potential financing sources and its representatives) nonpublic information relating to Medtronic or Covidien, as applicable, pursuant to an executed confidentiality agreement that is no less restrictive of such person than the confidentiality agreement between Medtronic and Covidien, provided that all such nonpublic information provided to the third party must also be provided to Medtronic or Covidien, as applicable; and

engage in negotiations with such third party with respect to an Alternative Proposal.

Each of Medtronic and Covidien will promptly (and in any event within 24 hours of receipt) notify the other party of the receipt of any Alternative Proposal or any initial communication or proposal that may reasonably be expected to lead to an Alternative Proposal and will indicate the material terms and conditions of such Alternative Proposal or such proposal (including through the provision of all written material received from the third party that is material to understanding such Alternative Proposal and all written material provided to such third party that is material to understanding any counterproposal or other material substantive response to such Alternative Proposal) and the identity of the person making any such Alternative Proposal and thereafter will keep Medtronic or Covidien, as applicable, reasonably informed on a reasonably current basis of any material change to the terms and status of any such Alternative Proposal.

Subject to certain exceptions, none of the Medtronic board of directors, the Covidien board of directors, or any committee thereof may (i) withdraw or fail to make when required pursuant to the Transaction Agreement (or qualify or modify in any manner adverse to Medtronic or Covidien, as applicable), or propose publicly to withdraw or fail to make when required pursuant to the Transaction Agreement (or qualify or modify in any manner adverse to Medtronic or Covidien, as applicable), the recommendation of the Medtronic board of directors or the Covidien board of directors that, as applicable, the Covidien shareholders vote to approve the scheme of arrangement and the EGM resolutions required to effect the scheme or the Medtronic shareholders vote to approve the plan of merger set forth in the Transaction Agreement, (ii) approve, recommend or declare advisable, or propose publicly to approve, recommend or declare advisable, any Alternative Proposal (any action in subclauses (i) and (ii) being referred to as an Medtronic Change of Recommendation or a Covidien Change of Recommendation, as applicable, and either a Change of Recommendation) or (iii) cause or allow Medtronic or Covidien or any of their subsidiaries to execute or enter into any agreement constituting or that would reasonably be expected to lead to an Alternative Proposal or requiring, or reasonably expected to cause, Medtronic or Covidien to abandon, terminate, delay or fail to consummate the acquisition.

Prior to obtaining the approval of the Covidien shareholders of the scheme of arrangement and the EGM resolutions required to effect the scheme, the board of directors of Covidien may make a Covidien Change of Recommendation if it has concluded in good faith (after consultation with Covidien s outside legal counsel and financial advisor) (i) that a Covidien Alternative Proposal constitutes a Covidien Superior Proposal and (ii) that the failure to make a Covidien Change of Recommendation would be reasonably likely to be inconsistent with

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the directors fiduciary duties; provided, however, that Covidien must provide prior written notice to Medtronic, at least three business days in advance, of the intention of the Covidien board of directors to make such Covidien Change of Recommendation, and provided further that the Covidien board must take into account any changes to the terms of the Transaction Agreement and the scheme of arrangement proposed by Medtronic in response to such prior written notice or otherwise and during such three business day period must engage in good faith negotiations with Medtronic regarding any changes to the Transaction Agreement proposed by Medtronic.

Prior to obtaining the approval of the Covidien shareholders of the scheme of arrangement and the EGM resolutions required to effect the scheme, the board of directors of Covidien may make a Covidien Change of Recommendation in response to a material event, development, occurrence, state of facts or change that was not known as of the date of the Transaction Agreement, subject to certain limitations, if the Covidien board of directors has concluded in good faith (after consultation with Covidien s outside legal counsel and financial advisor) that the failure to take such action would be inconsistent with the directors fiduciary duties; provided, however, that Covidien must provide prior written notice to Medtronic, at least three business days in advance, of the intention of the Covidien board of directors to make such Covidien Change of Recommendation and the reasons therefor, and provided further that the Covidien board must take into account any changes to the terms of the Transaction Agreement and the scheme of arrangement proposed by Medtronic in response to such prior written notice or otherwise and, during such three business day period, Covidien must engage in good faith negotiations with Medtronic regarding any changes to the Transaction Agreement proposed by Medtronic.

The Transaction Agreement provides that a Covidien Alternative Proposal means: a *bona fide* proposal or *bona fide* offer made by any person (other than a proposal or offer pursuant to Rule 2.5 of the Takeover Rules by Medtronic or any persons acting in concert with Medtronic under Rule 3.3 of Part A of the Takeover Rules) for (i) the acquisition of Covidien by scheme of arrangement, takeover offer or business combination transaction; (ii) the acquisition by any person of 20% or more of the assets of Covidien and its subsidiaries, taken as a whole, measured by either book value or fair market value (including equity securities of Covidien s subsidiaries); (iii) the acquisition by any person (or the shareholders of any person) of 20% or more of the outstanding Covidien ordinary shares; or (iv) any merger, business combination, consolidation, share exchange, recapitalization or similar transaction involving Covidien as a result of which the holders of Covidien ordinary shares immediately prior to such transaction do not, in the aggregate, own at least 80% of the outstanding voting power of the surviving or resulting entity in such transaction immediately after consummation thereof.

The Transaction Agreement provides that a Covidien Superior Proposal means: a written Covidien Alternative Proposal made by any person that the board of directors of Covidien determines in good faith (after consultation with Covidien s financial advisor and outside legal counsel) is more favorable to the Covidien shareholders than the transactions contemplated by the Transaction Agreement, taking into account such financial, regulatory, legal and other aspects of such proposal as the Covidien board of directors considers to be appropriate (it being understood that, for purposes of the definition of Covidien Superior Proposal, references to 20% and 80% in the definition of Covidien Alternative Proposal are deemed to refer to 50%).

Prior to obtaining the approval of the Medtronic shareholders of the Transaction Agreement, the board of directors of Medtronic may make a Medtronic Change of Recommendation if it has concluded in good faith (after consultation with Medtronic s outside legal counsel and financial advisor) (i) that a Medtronic Alternative Proposal constitutes a Medtronic Superior Proposal (as defined below) and (ii) that the failure to make a Medtronic Change of Recommendation would be reasonably likely to be inconsistent with the directors fiduciary duties; provided, however, that Medtronic must provide prior written notice to Covidien, at least three business days in advance, of the intention of the Medtronic board of directors to make such Medtronic Change of Recommendation, and provided further that the Medtronic board must take into account any changes to the terms of the Transaction Agreement and the scheme of

arrangement proposed by Covidien in response to such prior written notice or otherwise and during such three business day period must engage in good faith negotiations with Covidien regarding any changes to the Transaction Agreement proposed by Covidien.

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Prior to obtaining the approval of the Medtronic shareholders of the plan of merger set forth in the Transaction Agreement, the board of directors of Medtronic may make a Medtronic Change of Recommendation in response to a material event, development, occurrence, state of facts or change that was not known as of the date of the Transaction Agreement, subject to certain limitations, if the Medtronic board of directors has concluded in good faith (after consultation with Medtronic s outside legal counsel and financial advisor) that the failure to take such action would be inconsistent with the directors fiduciary duties; provided, however, that Medtronic must provide prior written notice to Covidien, at least three business days in advance, of the intention of the Medtronic board of directors to make such Medtronic Change of Recommendation and the reasons therefor, and provided further that the Medtronic board must take into account any changes to the terms of the Transaction Agreement and the scheme of arrangement proposed by Covidien in response to such prior written notice or otherwise and, during such three business day period, Medtronic must engage in good faith negotiations with Covidien regarding any changes to the Transaction Agreement proposed by Covidien.

The Transaction Agreement provides that a Medtronic Alternative Proposal means: a *bona fide* proposal or *bona fide* offer made by any person for (i) the acquisition of Medtronic by scheme of arrangement, takeover offer or business combination transaction; (ii) the acquisition by any person of 20% or more of the assets of Medtronic and its subsidiaries, taken as a whole, measured by either book value or fair market value (including equity securities of Medtronic s subsidiaries); (iii) the acquisition by any person (or the shareholders of any person) of 20% or more of the outstanding Medtronic common shares; or (iv) any merger, business combination, consolidation, share exchange, recapitalization or similar transaction involving Medtronic as a result of which the holders of Medtronic common shares immediately prior to such transaction do not, in the aggregate, own at least 80% of the outstanding voting power of the surviving or resulting entity in such transaction immediately after consummation thereof.

The Transaction Agreement provides that a Medtronic Superior Proposal means: a written Medtronic Alternative Proposal made by any person that the board of directors of Medtronic determines in good faith (after consultation with Medtronic s financial advisor and outside legal counsel) is more favorable to the Medtronic shareholders than the transactions contemplated by the Transaction Agreement, taking into account such financial, regulatory, legal and other aspects of such proposal as the Medtronic board of directors considers to be appropriate (it being understood that, for purposes of the definition of Medtronic Superior Proposal, references to 20% and 80% in the definition of Medtronic Alternative Proposal are deemed to refer to 50%).

The obligations of the parties under the Transaction Agreement are subject in all respects to the parties obligations under the Irish Takeover Rules.

Termination and Right to Match in the Event of a Covidien Superior Proposal

Covidien may terminate the Transaction Agreement in order to enter into an agreement, understanding or arrangement providing for a Covidien Superior Proposal at any time prior to obtaining the approval of the Covidien shareholders of the scheme of arrangement and the EGM resolutions required to effect the scheme, subject to the following conditions: (i) the Covidien board of directors has concluded in good faith (after consultation with Covidien s financial advisor and outside legal counsel) that (a) a Covidien Alternative Proposal constitutes a Covidien Superior Proposal and (b) the failure to take such action would be reasonably likely to be inconsistent with the directors fiduciary duties; (ii) promptly upon the Covidien board of directors determination that a Covidien Superior Proposal exists (and in any event, within 24 hours of such determination), Covidien must provide a written notice to Medtronic (a Superior Proposal Notice) advising Medtronic that Covidien has received a Covidien Alternative Proposal that the Covidien board of directors considers to be a Covidien Superior Proposal and specifying the material terms and conditions of such Covidien Alternative Proposal and the identity of the relevant third party. Covidien must then provide Medtronic with an opportunity, for a period of three business days from the time of delivery to Medtronic of the Superior

Proposal Notice (the Medtronic Notice Period), to propose to amend the terms and conditions of the Transaction Agreement such that the Covidien Superior Proposal no longer constitutes a Covidien Superior Proposal. In the event that during the Medtronic Notice Period any material revision is made to the financial terms of the Covidien Superior Proposal, Covidien is required to deliver a new Covidien

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Superior Proposal Notice to Medtronic and to provide Medtronic with the match rights described above, except that the Medtronic Notice Period will be the greater of two business days and the amount of time remaining in the initial Medtronic Notice Period. See also *Termination*.

Efforts to Consummate

Each of Medtronic and Covidien agreed to use their respective reasonable best efforts, including by taking Divestiture Actions (as defined below), to achieve satisfaction of the closing conditions as promptly as reasonably practicable following publication of the scheme of arrangement disclosure document and in any event no later than March 15, 2015, or, in circumstances in which the only outstanding unsatisfied conditions relate to antitrust approval, June 15, 2015. Notwithstanding the foregoing obligations, neither Medtronic nor Covidien nor any of their respective subsidiaries will be required or, with respect to Covidien or any of its subsidiaries, permitted without the prior written consent of Medtronic, to (i) take any action if doing so would, individually or in the aggregate, reasonably be expected to result in a material adverse effect on the business, operations or financial condition of New Medtronic and its subsidiaries (including Medtronic, Covidien and their respective subsidiaries), taken as a whole (measured on the basis of New Medtronic as it would exist following the consummation of the transaction) or (ii) take any action, agree to take any action, or consent to the taking of any action, other than a Divestiture Action, where such action would limit Medtronic s or Covidien s freedom of action or the conduct of any business, asset, product line or property of Medtronic or Covidien (or one or more of their respective subsidiaries) or any joint venture in which Medtronic or Covidien (or one or more of their respective subsidiaries) holds an equity interest. The Transaction Agreement provides that a Divestiture Action means: the sale, divestiture, license, or disposition of any businesses, assets, equity interests, product lines or properties of Medtronic or Covidien (or any of their respective subsidiaries) or any equity interest in any joint venture held by Medtronic or Covidien (or any of their respective subsidiaries).

Financing

Medtronic and its subsidiaries will use their reasonable best efforts to take or cause to be taken any appropriate action necessary, proper or advisable to consummate the financing of the transaction. Medtronic will keep Covidien informed on a reasonably current basis of the status of its efforts to arrange the financing, including providing copies of all executed credit agreements.

Covidien and its subsidiaries, officers, employees, advisors and other representatives will use their reasonable best efforts to provide Medtronic and its subsidiaries any assistance reasonably requested by Medtronic that is customary in connection with arranging, obtaining and syndicating the financing.

Conduct of Business Pending the Completion Date

At all times from the execution of the Transaction Agreement until the consummation of the transaction, and subject to certain exceptions, except as required by law, expressly contemplated or permitted by the Transaction Agreement or with the prior written consent of the other party (such consent not to be unreasonably withheld, conditioned or delayed), each of Medtronic and Covidien have agreed to, and have agreed to cause their respective subsidiaries to, conduct their respective businesses in the ordinary course consistent with past practice in all material respects.

At all times from the execution of the Transaction Agreement until the consummation of the transaction, and subject to certain exceptions, except as required by law, as expressly contemplated or permitted by the Transaction Agreement, as set forth in the disclosure schedule to the Transaction Agreement or with the prior written consent of Medtronic (such consent not to be unreasonably withheld, conditioned or delayed), Covidien has generally agreed not to, and agreed not to allow its subsidiaries to:

authorize or pay any dividend or distribution with respect to outstanding shares other than (i) dividends paid by a subsidiary on a pro rata basis in the ordinary course consistent with past practice and (ii) subject to

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certain conditions, to continue to pay regular quarterly cash dividends of not more than $0.36 per share per quarter on terms consistent with past practice;

split, combine or reclassify any of its shares of capital in issue, or issue or authorize the issuance of any other securities in respect of, in lieu of or in substitution for, shares in its capital, or permit its subsidiaries to do the same;

subject to certain exceptions, (i) grant any options, share awards or any other equity awards, (ii) increase the compensation or other benefits payable or provided to Covidien s current or former directors, executive officers or employees, (iii) enter into any employment, change of control, severance or retention agreement with any director, officer or employee of Covidien, (iv) terminate the employment of any officers with a title of Vice President or above other than for cause, (v) amend any performance targets with respect to any outstanding bonus or equity awards, (vi) amend the funding obligation or contribution rate of any Covidien benefit plan or change any underlying assumptions to calculate benefits payable under any such plan or (vii) establish, adopt, enter into, amend or terminate any Covidien benefit plan or any other plan, trust, fund, policy or arrangement for the benefit of any current or former directors, officers or employees or any of their beneficiaries, except, in each case, as required by existing written agreements or Covidien benefit plans in effect as of the date of the Transaction Agreement or as otherwise required by applicable law;

make any material change in financial accounting policies or procedures or any of its methods of reporting income, deductions or other material items for financial accounting purposes, except as required by U.S. GAAP, applicable law or SEC policy;

authorize, announce an intention to authorize or enter into agreements with respect to any acquisitions of an equity interest in or a substantial portion of the assets of any person or any business or division thereof, or any mergers, consolidations or business combinations, except for acquisitions, mergers, consolidations or business combinations for amounts not to exceed $200,000,000 individually or $400,000,000 in the aggregate, and subject to certain other exceptions;

amend the memorandum and articles of association of Covidien or permit any of its significant subsidiaries to adopt any material amendments to their organizational documents;

issue, deliver, grant, sell, pledge, dispose of or encumber, or authorize the issuance, delivery, grant, sale, pledge, disposition or encumbrance of, any shares of capital, voting securities or other equity interest or any securities convertible into or exchangeable for any such shares, voting securities or equity interest, or any rights, warrants or options to acquire any such shares in its capital, voting securities or equity interest or any phantom stock, phantom stock rights, stock appreciation rights or stock-based performance units or take any action to cause to be exercisable any otherwise unexercisable option to purchase Covidien ordinary shares under any existing Covidien share award plan (except as otherwise provided by the express terms of any options outstanding on the date of the Transaction Agreement), subject to certain exceptions;

purchase, redeem or otherwise acquire any shares or rights to acquire shares of capital, except for (A) acquisitions of Covidien ordinary shares tendered by holders of Covidien options and share awards to satisfy obligations to pay the exercise price and/or tax obligations with respect thereto or (B) transactions among Covidien and its wholly owned subsidiaries or among Covidien s wholly owned subsidiaries (unless such transaction would be reasonably expected to have material adverse tax consequences to New Medtronic and its subsidiaries after consummation of the transaction);

redeem, repurchase, prepay (other than prepayments of revolving loans), defease, incur, assume, endorse, guarantee or otherwise become liable for or modify in any material respects the terms of any indebtedness for borrowed money or issue or sell any debt securities or rights to acquire any debt securities except for (i) Covidien intercompany indebtedness, (ii) the refinancing (in consultation with Medtronic) of any existing indebtedness for borrowed money of Covidien or any of its subsidiaries maturing on or prior to the six-month anniversary of the date of such refinancing, subject to certain exceptions, (iii) guarantees of indebtedness of Covidien or any subsidiary of Covidien, (iv) issuances of commercial paper by Covidien or any of its subsidiaries backed by the Five-Year Senior Credit Agreement, dated as of August 9, 2011,

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among Covidien International Finance S.A., Covidien, the lenders party thereto and Citibank, N.A., as administrative agent, (v) incurrence of up to $500,000,000 of indebtedness (at any one time outstanding) pursuant to the Five-Year Senior Credit Agreement in connection with the funding of certain specified expenditures, (vi) transactions at the stated maturity of such indebtedness and required amortization or mandatory prepayments and (vii) indebtedness not to exceed $250,000,000 in aggregate principal amount that may be incurred by Covidien or any of its subsidiaries; provided that the making of guarantees and the entrance into letters of credit or surety bonds for commercial transactions in the ordinary course of business consistent with past practice will be permitted;

make any loans to any other person involving in excess of $10,000,000 individually or $30,000,000 in the aggregate, except for Covidien intercompany loans, provided that, subject to the provisions of the existing indebtedness and other agreements of Covidien, Covidien may not make any loan that would (or structure any such loan in a manner that would) be reasonably expected to have material adverse tax consequences to New Medtronic and its subsidiaries after consummation of the transaction;

sell, lease, license, transfer, exchange, swap, let lapse (with respect to intellectual property only) or otherwise dispose of, or subject to any lien, any of its material properties or assets, except (i) liens for permitted indebtedness, but only to the extent such indebtedness is incurred to replace, renew, extend, refinance or refund any existing indebtedness currently subject to a lien of no greater amount, (ii) dispositions of inventory and obsolete equipment in the ordinary course of business, (iii) transactions involving less than $10,000,000 individually and $50,000,000 in the aggregate, (iv) non-exclusive licenses, or the allowance of lapsing, of intellectual property in the ordinary course of business or (v) Covidien intercompany transactions, provided that Covidien and its subsidiaries may not engage in any such transaction (or structure any such transaction in a manner that would) that would be reasonably expected to have material adverse tax consequences to New Medtronic and its subsidiaries after consummation of the transaction;

settle any material claim, litigation, investigation or proceeding made or pending (i) against Covidien or any of its subsidiaries, or any of their officers and directors in their capacities as such, other than any settlement (a) for an amount not to exceed $2,500,000 individually or $25,000,000 in the aggregate, (b) that does not impose any injunctive relief on Covidien and its subsidiaries or otherwise encumber or restrict their operations and (c) that does not include any admission of guilt or wrongdoing by Covidien or (ii) by Covidien or any of its subsidiaries as plaintiff with respect to material intellectual property of Covidien and its subsidiaries;

except for (i) any action (or failure to act) required pursuant to the Tax Sharing Agreement entered into as of June 29, 2007, by and among Tyco International Ltd., Covidien, and Tyco Electronics Ltd. (the Tyco tax sharing agreement) and (ii) for actions taken in the ordinary course of business consistent with past practice, make or change any material tax election, change any material method of accounting for tax purposes or any annual accounting period, file any material amended tax return, settle or compromise any audit or proceeding relating to a material amount of taxes, enter into any closing agreement with respect to a material amount of taxes or surrender any right to claim a material amount of tax refunds;

make any new capital expenditure or expenditures, or commit to do so, in excess of specified amounts in the disclosure schedule to the Transaction Agreement;

except in the ordinary course of business consistent with past practice or in connection with any matter to the extent specifically permitted by other provisions of the Transaction Agreement, enter into a material contract, or materially amend or terminate any existing material contract or waive, release or assign any material rights or claims thereunder;

alter any intercompany arrangements or agreements or the ownership structure among Covidien and its wholly owned subsidiaries if such alterations, individually or in the aggregate, would reasonably be expected to have material adverse tax consequences to New Medtronic and its subsidiaries after consummation of the transaction; or

agree, in writing or otherwise, to take any of the foregoing actions.

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At all times from the execution of the Transaction Agreement until the consummation of the transaction, and subject to certain exceptions, except as required by law, as expressly contemplated or permitted by the Transaction Agreement, as set forth in the disclosure schedule to the Transaction Agreement or with the prior written consent of Covidien (such consent not to be unreasonably withheld, conditioned or delayed), Medtronic has generally agreed not to:

authorize or pay, or permit any of its subsidiaries to authorize or pay, any dividend or distribution with respect to the outstanding shares of capital other than (i) dividends paid by a subsidiary on a pro rata basis in the ordinary course consistent with past practice, and (ii) subject to certain conditions, to continue to pay regular quarterly cash dividends of not more than $0.305 per share per quarter on terms consistent with past practice;

split, combine or reclassify, or permit any of its subsidiaries to split, combine or reclassify, any of its shares of capital in issue, or issue or authorize the issuance of, or permit its subsidiaries to issue or authorize the issuance of, any other securities in respect of, in lieu of or in substitution for, shares of capital, except for any such transaction by a wholly owned subsidiary of Medtronic which remains a wholly owned subsidiary after consummation of such transaction;

authorize, announce an intention to authorize, or enter into agreements with respect to, or permit any of its subsidiaries to authorize, announce an intention to authorize, or enter into agreements with respect to, any acquisitions of an equity interest in or a substantial portion of the assets of any person or any business or division thereof, or any mergers, consolidations or business combinations that would reasonably be expected to prevent or materially delay or impede the consummation of the transaction or that would reasonably be expected to have material adverse tax consequences to New Medtronic and its subsidiaries after consummation of the transaction;

purchase, redeem or otherwise acquire, or permit any of its subsidiaries to purchase, redeem or otherwise acquire, any shares or rights to acquire shares of capital, except for (i) acquisitions of Medtronic shares tendered by holders of Medtronic options and share awards to satisfy obligations to pay the exercise price and/or tax obligations with respect thereto, (ii) transactions among Medtronic and its wholly owned subsidiaries or among Medtronic s wholly owned subsidiaries (unless such transaction would be reasonably expected to have material adverse tax consequences to New Medtronic and its subsidiaries after consummation of the transaction) or (iii) acquisitions or repurchases of Medtronic shares pursuant to (and within the limitations of) Medtronic s previously announced share repurchase plan;

amend the organizational documents of Medtronic or New Medtronic, or permit any of New Medtronic, IrSub, U.S. AcquisitionCo and MergerSub to adopt any amendments to its organizational documents, in each case in any manner that would adversely affect the consummation of the transaction;

issue, deliver, grant, sell, pledge, dispose of or encumber, or authorize the issuance, delivery, grant, sale, pledge, disposition or encumbrance of, any shares of capital, voting securities or other equity interest in Medtronic or any subsidiaries or any securities convertible into or exchangeable for any such shares, voting securities or equity interest, or any rights, warrants or options to acquire any such shares, voting securities or equity interest or any

phantom stock, phantom stock rights, stock appreciation rights or stock-based performance units or take any action to cause to be exercisable any otherwise unexercisable option to purchase Medtronic common shares under any existing Medtronic share award plan (except as otherwise provided by the express terms of any options outstanding on the date of the Transaction Agreement), subject to certain exceptions; or

agree, in writing or otherwise, to take any of the foregoing actions.

Directors and Officers Indemnification and Insurance

New Medtronic has agreed that all rights to indemnification, advancement of expenses or exculpation existing as of the date of the Transaction Agreement in respect of acts or omissions occurring at or prior to the effective time provided for in the organizational documents of Medtronic, Covidien and their respective subsidiaries or in any agreement to which those entities are party in favor of the current or former directors,

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officers or employees of Medtronic or Covidien or any of their respective subsidiaries will continue in full force and effect following the consummation of the transaction. For six years after the effective time of the scheme or the merger, as applicable, New Medtronic will maintain in effect the provisions for indemnification, advancement of expenses or exculpation in the organizational documents of Medtronic, Covidien and their respective subsidiaries or in any agreement to which those entities are party and will not amend, repeal or modify such provisions in any manner that would adversely affect the rights of any individuals who are entitled to such rights.

At and after the effective time of the scheme, Covidien will (and New Medtronic will cause Covidien to) indemnify and hold harmless each present and former director, officer and employee of Covidien and its subsidiaries against any costs, expenses, losses or liabilities arising out of matters pertaining to such person s service to Covidien or any of its subsidiaries occurring at or before the effective time, subject to the limitations of applicable law and the companies organizational documents.

Similarly, at and after the effective time of the merger, Medtronic will (and New Medtronic will cause Medtronic to) indemnify and hold harmless each present and former director, officer and employee of Medtronic and its subsidiaries against any costs, expenses, losses or liabilities arising out of matters pertaining to such person s service to Medtronic or any of its subsidiaries occurring at or before the effective time, subject to the limitations of applicable law and the companies organizational documents.

For a period of six years from the closing of the transaction, New Medtronic will cause to be maintained (i) the coverage provided by the policies of directors and officers liability insurance and fiduciary liability insurance as in effect as of the effective time of the scheme or the merger, as applicable, maintained by each of Covidien and its subsidiaries and Medtronic and its subsidiaries with respect to matters arising on or before the effective time or (ii) a tail policy under each of Medtronic s and Covidien s existing directors and officers insurance policy that covers those persons who are currently covered by each of Medtronic s and Covidien s directors and officers insurance policy, respectively, in effect as of the date of the Transaction Agreement for actions and omissions occurring at or prior to the effective time; provided, however, that, after the effective time, New Medtronic will not be required to pay annual premiums in excess of 300% of the last annual premium paid by Medtronic or Covidien, as applicable, prior to the date hereof in respect of the respective coverages required to be obtained, but in such case will purchase as much coverage as reasonably practicable for that amount.

Employee Matters

For a period of one year following the effective time of the scheme, New Medtronic will provide to each continuing Covidien employee (a) base compensation that is no less favorable to such Covidien employee than the base compensation provided to such Covidien employee immediately prior to the effective time of the scheme; (b) an annual cash bonus opportunity (performance metrics and target bonus as a percentage of base compensation) that is no less favorable than such Covidien employee s annual cash bonus opportunity (performance metrics and target bonus as a percentage of base compensation) in effect immediately prior to the effective time of the scheme; and (c) other compensation opportunities and benefits that are substantially comparable, in the aggregate, to those provided to such Covidien employee immediately prior to the effective time of the scheme. New Medtronic will, or will cause one of its subsidiaries to, assume, honor and fulfill all Covidien employee benefit plans in accordance with their terms as in effect immediately prior to the date of the Transaction Agreement or as subsequently amended.

For purposes of vesting, eligibility to participate, and level of benefits under the employee benefit plans of New Medtronic and Medtronic providing benefits to any Covidien employees after the effective time of the scheme, each Covidien employee will be credited with his or her years of service with the Covidien group and its predecessors before the effective time of the scheme, to the same extent as such Covidien employee was entitled, before the

effective time of the scheme, to credit for such service under any similar Covidien employee benefit plan in which such Covidien employee participated or was eligible to participate immediately prior to the effective time of the scheme. Service credit will not be provided, however, with respect to any benefit accrual under any

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defined benefit pension plan or to the extent that its application would result in a duplication of benefits with respect to the same period of service. In addition, each Covidien employee will be immediately eligible to participate, without any waiting time, in any and all New Medtronic and Medtronic employee benefit plans to the extent coverage under such plan is replacing comparable coverage under a Covidien employee benefit plan in which such Covidien employee participated immediately before the effective time of the scheme, and, for purposes of each such New Medtronic or Medtronic employee benefit plan providing medical, dental, pharmaceutical, and/or vision benefits to any Covidien employee, New Medtronic will use its commercially reasonable efforts to cause (a) all pre-existing condition exclusions and actively-at-work requirements of such plan to be waived for such employee and his or her covered dependents, unless and to the extent the individual, immediately prior to entry in such plan, was subject to such conditions under the comparable Covidien employee benefit plan, and (b) any eligible expenses incurred by such employee and his or her covered dependents during the portion of the plan year of the Covidien employee benefit plan ending on the date such employee s participation in the corresponding New Medtronic or Medtronic employee benefit plan begins to be taken into account under such New Medtronic or Medtronic plan for purposes of satisfying all deductible, coinsurance, and maximum out-of-pocket requirements applicable to such employee and his or her covered dependents for the applicable plan year as if such amounts had been paid in accordance with such New Medtronic or Medtronic plan.

Covidien has the right under the Transaction Agreement to pay pro rata annual bonuses in respect of the 2015 fiscal year to each Covidien employee who is employed as of immediately prior to the effective time of the scheme and who is terminated other than for cause by Covidien, New Medtronic, or any of their respective subsidiaries prior to the date on which annual bonuses in respect of the 2015 fiscal year would otherwise be paid. Any such bonus payments will be based on target performance.

Under the Transaction Agreement, Covidien is also permitted to establish a cash-based retention program in the aggregate amount of no less than $20 million to, among other things, promote retention and incentivize efforts to consummate the transaction. Amounts under the retention program will be allocated among the employees of Covidien and its subsidiaries identified, and in the amounts and on the terms determined, by Covidien in good faith consultation with Medtronic; however, no such awards will be made to any employee of Covidien who is an executive officer of Covidien.

In addition, New Medtronic and Medtronic have acknowledged in the Transaction Agreement that a change of control (or similar phrase) within the meaning of any Covidien employee benefit plan will occur at or prior to effective time of the scheme, as applicable.

New Medtronic Board of Directors

At the effective time of the scheme, the board of directors of New Medtronic will have no more than 13 members, consisting of: (i) no more than 11 individuals who were members of the Medtronic board of directors as of immediately prior to the effective time and (ii) two members of the board of directors of Covidien as of June 15, 2014 to be selected by, in consultation with Covidien, the Medtronic Nominating and Corporate Governance Committee pursuant to the director nomination process set forth in Medtronic s proxy statement on Schedule 14A filed with the SEC on July 11, 2014.

Conditions to the Completion of the Acquisition and the Merger

The scheme and the completion of the acquisition are subject to the satisfaction (or waiver, to the extent permitted) of all of the following conditions:

the approval of the scheme by the Covidien shareholders at the special Court-ordered meeting (or at any adjournment of such meeting);

certain of the EGM resolutions being duly passed by the Covidien shareholders at the EGM (or at any adjournment of such meeting);

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the Irish High Court s sanction of the scheme of arrangement (without material modification) and confirmation of the reduction of the share premium account and registration with the Registrar of Companies;

the adoption of the plan of merger set forth in the Transaction Agreement by Medtronic shareholders as required by the MBCA and Article I of the bylaws of Medtronic;

the NYSE having authorized, and not withdrawn its authorization, for listing all of the New Medtronic ordinary shares to be issued in connection with the acquisition and the merger, subject to satisfaction of any conditions to which such approval is expressed to be subject;

all applicable waiting periods under the HSR Act in connection with the acquisition and/or the merger having expired or having been terminated;

the European Commission deciding that it does not intend to initiate any proceedings under Article 6(1)(c) of the EC Merger Regulation in respect of the acquisition or to refer the acquisition (or any aspect of the acquisition) to a competent authority of an EEA member state under Article 9(1) of the EC Merger Regulation or otherwise deciding that the acquisition is compatible with the common market pursuant to Article 6(1)(b) of the EC Merger Regulation;

all required clearances having been obtained and remaining in full force and effect and applicable waiting periods having expired, lapsed or been terminated (as appropriate), in each case in connection with the acquisition and/or the merger, under the antitrust, competition or foreign investment laws of Canada, the People s Republic of China, Japan, Israel, Turkey, Russia and South Korea;

the registration statement on Form S-4 of which this joint proxy statement/prospectus is a part having become effective under the Securities Act of 1933, as amended, and not being the subject of any stop order or proceedings initiated by the SEC seeking any stop order;

no (i) law, (ii) injunction, restraint or prohibition by any court of competent jurisdiction or (iii) injunction, restraint or prohibition under any antitrust order by any relevant authority which prohibits consummation of the acquisition or the merger having been enacted or entered and continuing to be in effect; and

there having been no change in applicable law (whether or not such change in law is yet effective) with respect to Section 7874 of the Code (or any other U.S. tax law), or official interpretation thereof as set forth in published guidance by the IRS (other than IRS News Releases) (whether or not such change in official interpretation is yet effective), and no bill that would implement such a change has been passed in identical (or substantially identical such that a conference committee is not required prior to submission of such legislation for the President s approval or veto) form by both the United States House of Representatives and the United States Senate and for which the time period for the President of the United States to sign or veto such bill has not yet elapsed, in each case, that, once effective, in the opinion of nationally recognized U.S. tax counsel, would cause New Medtronic

to be treated as a United States domestic corporation for United States federal income tax purposes; and

the Transaction Agreement not having been terminated in accordance with its terms.

In addition, each of Medtronic s and Covidien s obligation to effect the acquisition is conditioned upon:

the accuracy of the other party s representations and warranties, subject to specified materiality standards;

the performance by the other party of its obligations and covenants under the Transaction Agreement in all material respects; and

the delivery by the other party of an officer s certificate certifying such accuracy of its representations and warranties and such performance of its obligations and covenants.

If Medtronic is required to make an offer for Covidien shares under the provisions of Rule 9 of the Irish Takeover Rules, Medtronic may make such alterations to the conditions set forth above as are necessary to comply with the provisions of that rule. Additionally, as required by Rule 12(b)(i) of the Irish Takeover Rules, to

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the extent that the acquisition would give rise to a concentration with a community dimension within the scope of the EC Merger Regulation, the scheme will, except as otherwise approved by the Panel, lapse if the European Commission initiates proceedings in respect of that concentration under Article 6(1)(c) of the EC Merger Regulation or refers the concentration to a competent authority of a member state under Article 9(1) of the EC Merger Regulation prior to the date of the special Court-ordered meeting.

The acquisition is also conditioned on the scheme becoming effective and unconditional by not later than June 15, 2015 (or earlier if required by the Irish Takeover Panel or later if the parties agree and, if required, the Irish Takeover Panel consents and the Irish High Court allows). In addition, the scheme will lapse unless it is effective on or prior to June 15, 2015. The merger is conditioned only upon the consummation and implementation of the scheme and the acquisition.

The complete text of the conditions appendix is attached as Annex B to this joint proxy statement/prospectus.

Survival of Representations and Warranties

None of the representations and warranties of the Transaction Agreement will survive the consummation of the transaction or the termination of the Transaction Agreement.

Termination

The Transaction Agreement may be terminated at any time prior to the time the scheme becomes effective in any of the following ways:

by mutual written consent of Medtronic and Covidien;

by either Medtronic or Covidien:

if (i) after completion of the special Court-ordered meeting or the EGM, the necessary resolutions have not been approved by the requisite votes, or (ii) after completion of the Medtronic shareholders meeting, the necessary Medtronic shareholder approval has not been obtained;

subject to certain exceptions, if the transaction has not been consummated by 5:00 p.m., New York City time, on March 15, 2015, subject to an extension to June 15, 2015 in certain circumstances if the only outstanding unsatisfied conditions relate to antitrust approval;

if the Irish High Court declines or refuses to sanction the scheme, unless both parties agree in writing that the decision of the Irish High Court will be appealed;

subject to certain exceptions, if an injunction that permanently restrains, enjoins or otherwise prohibits the consummation of the acquisition or the merger has become final and non-appealable; or

if there has been a change in applicable law (whether or not such change in law is yet effective) with respect to Section 7874 of the Code, as amended (or any other U.S. tax law), or official interpretation thereof as set forth in published guidance by the IRS (other than IRS News Releases) (whether or not such change in official interpretation is yet effective), or there has been a bill that would implement such a change passed in identical (or substantially identical such that a conference committee is not required prior to submission of such legislation for the President s approval or veto) form by both the United States House of Representatives and the United States Senate and for which the time period for the President of the United States to sign or veto such bill has not yet elapsed, in each case, that, once effective, in the opinion of nationally recognized U.S. tax counsel, would cause New Medtronic to be treated as a United States domestic corporation for United States federal income tax purposes;

by Covidien:

in certain circumstances if Medtronic, New Medtronic, IrSub, U.S. AcquisitionCo or MergerSub breaches or fails to perform in any material respect any of its covenants or other agreements contained

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in the Transaction Agreement or if any of its representations or warranties set forth in the Transaction Agreement are inaccurate such that certain closing conditions are incapable of being satisfied and the breach is not reasonably capable of being cured by March 15, 2015 (or, if extended in certain circumstances under which the only outstanding unsatisfied conditions relate to antitrust approval, June 15, 2015);

prior to obtaining Covidien shareholder approval, in order to enter into an agreement providing for a Covidien Superior Proposal; or

by Medtronic:

in certain circumstances if Covidien breaches or fails to perform in any material respect any of its covenants or other agreements contained in the Transaction Agreement or if any of its representations or warranties set forth in the Transaction Agreement are inaccurate such that certain closing conditions are incapable of being satisfied and the breach is not reasonably capable of being cured by March 15, 2015 (or, if extended in certain circumstances under which the only outstanding unsatisfied conditions relate to antitrust approval, June 15, 2015).

Expenses

Except as otherwise provided in the Transaction Agreement or in the expenses reimbursement agreement (see *Expenses Reimbursement Agreement,* beginning on page 313 of this joint proxy statement/prospectus), all costs and expenses incurred in connection with the transaction will be paid by the party incurring such cost or expense, except the following: (i) the Irish Takeover Panel s document review fees, which will be paid 70% by Medtronic and 30% by Covidien, and (ii) the costs of, and associated with, the filing, printing, publication and posting of this joint proxy statement/prospectus and any other material required to be posted pursuant to SEC rules or the Takeover Rules and the filing fees incurred in connection with notifications with any relevant authorities under any antitrust laws, which will each be paid 70% by Medtronic and 30% by Covidien.

Reverse Termination Payment

If the Transaction Agreement is terminated by Covidien or Medtronic after the Medtronic shareholders vote against the adoption of the plan of merger contained in the Transaction Agreement following a change in recommendation by the Medtronic board of directors with respect thereto, then Medtronic must pay $850,000,000 to Covidien, provided that either (i) Covidien shareholders have approved the scheme at the special Court-ordered meeting and the necessary resolutions to effect the transaction at the EGM or (ii) Medtronic has effected such termination prior to the special Court-ordered meeting and the EGM being completed.

Upon Covidien becoming entitled to the foregoing reverse termination payment, none of Medtronic, New Medtronic, IrSub, U.S. AcquisitionCo or MergerSub will have further liability in connection with the termination of the Transaction Agreement, except for liability for willful breach, fraud or as provided in the confidentiality agreement between Medtronic and Covidien dated as of April 23, 2014.

Amendment and Waiver

The Transaction Agreement may not be modified or amended except by an instrument in writing signed by each of the parties, except that following certain approvals by the Covidien shareholders or Medtronic shareholders there will be

no further amendment which by applicable law would require further approval by the Covidien shareholders or Medtronic shareholders without such further approval. No delay or omission by either party to the Transaction Agreement in exercising any right, power or remedy provided by law or under the Transaction Agreement will operate as a waiver. Furthermore, certain provisions of the Transaction Agreement may not be amended without the prior written consent of sources of financing for the transaction.

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Specific Performance; Third-Party Beneficiaries

All parties agreed in the Transaction Agreement that damages would not be an adequate remedy for any breach of the Transaction Agreement. Accordingly, each party is entitled, without proof of special damages, to the remedies of injunction, specific performance or other equitable relief for any threatened or actual breach of the Transaction Agreement.

The Transaction Agreement is not intended to confer upon any person other than Medtronic and Covidien and the other parties thereto any rights or remedies with the exception of the rights of the specified directors, officers and employees to certain indemnification and insurance and certain rights provided to the financing sources of Medtronic in the Transaction Agreement.

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EXPENSES REIMBURSEMENT AGREEMENT

The following is a summary of certain material terms of the expenses reimbursement agreement. This summary is qualified in its entirety by reference to the expenses reimbursement agreement, which is incorporated by reference in its entirety and attached to this joint proxy statement/prospectus as Annex C. We encourage you to read the expenses reimbursement agreement carefully and in its entirety.

Concurrently with the execution of the Transaction Agreement, Medtronic and Covidien entered into the expenses reimbursement agreement. Under the expenses reimbursement agreement, the terms of which have been consented to by the Irish Takeover Panel for purposes of Irish Takeover Rule 21.2 only, Covidien has agreed to reimburse all documented, specific and quantifiable third-party costs and expenses incurred by Medtronic, or on its behalf, for the purposes of, in preparation for, or in connection with the acquisition, including exploratory work carried out in contemplation of and in connection with the acquisition, legal, financial and commercial due diligence, arranging financing and engaging advisors to assist in the process, up to 1% of the total value of the issued share capital of Covidien, or approximately $429 million, as ascribed by the terms of the acquisition. Actual costs may be less than the Expense Reimbursement Amount (in which case Covidien will be obligated to reimburse the amount of such costs), or may exceed the Expense Reimbursement Amount (in which case Medtronic will not be reimbursed for the full amount of its transaction-related costs). Covidien has agreed to so reimburse Medtronic if:

(i) the Transaction Agreement is terminated in any of the following circumstances:

if after completion of the special Court-ordered Meeting or the EGM, the special Court-ordered meeting resolution or the EGM resolution, as applicable, have not been approved by the requisite votes, if (A) the Covidien board of directors has (x) withdrawn or failed to make when required pursuant to the Transaction Agreement (or qualified or modified in any manner adverse to Medtronic), or proposed publicly to withdraw or fail to make when required pursuant to the Transaction Agreement (or qualify or modify in any manner adverse to Medtronic), the recommendation to Covidien shareholders to approve the scheme or, if Medtronic elects to implement the acquisition by way of a takeover offer, the recommendation to Covidien shareholders to accept the takeover offer, (y) approved, recommended or declared advisable, or proposed publicly to approve, recommend or declare advisable, any Covidien Alternative Proposal or (z) disclosed a position that is otherwise deemed to be a Covidien Change of Recommendation under the Transaction Agreement and (B) either (1) the plan of merger set forth in the Transaction Agreement has been adopted by the holders of a majority of the outstanding Medtronic shares at the time of such termination or (2) Covidien effects such termination prior to the time that the meeting of the Medtronic shareholders for the purpose of obtaining the adoption of the plan of merger contemplated by the Transaction Agreement has been completed; or

by Covidien, at any time prior to obtaining the Covidien shareholder approvals, in order to enter into any agreement, understanding or arrangement providing for a Covidien Superior Proposal;

(ii) all of the following occur:

prior to the special Court-ordered meeting, a Covidien Alternative Proposal is publicly disclosed or any person has publicly announced an intention (whether or not conditional) to make a Covidien Alternative Proposal and, in each case, such disclosure or announcement is not publicly and irrevocably withdrawn without qualification at least three business days before the date of the special Court-ordered meeting (it being understood that, for purposes of this clause and the third clause below, references to 20% and 80% in the definition of Covidien Alternative Proposal are deemed to refer to 50%); and

the Transaction Agreement is terminated by either Medtronic or Covidien for the reason that the special Court-ordered meeting or the EGM has been completed and the special Court-ordered meeting resolution or the EGM resolutions, as applicable, were not approved by the requisite votes; and

a Covidien Alternative Proposal is consummated, or a definitive agreement providing for a Covidien Alternative Proposal is entered into within 12 months after such termination (regardless of whether such Covidien Alternative Proposal is the same Covidien Alternative Proposal referred to in the first clause above); or

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(iii) all of the following occur:

prior to the special Court-ordered meeting, a Covidien Alternative Proposal is publicly disclosed or any person has publicly announced an intention (whether or not conditional) to make a Covidien Alternative Proposal and, in each case, such disclosure or announcement is not publicly and irrevocably withdrawn without qualification at the time the Transaction Agreement is terminated under the circumstances specified in the second clause below (it being understood that, for purposes of this clause and the third clause below, references to 20% and 80% in the definition of Covidien Alternative Proposal are deemed to refer to 50%); and

the Transaction Agreement is terminated by Medtronic for the reason that Covidien has breached or failed to perform in any material respect any of its covenants or other agreements contained in the Transaction Agreement, which breach or failure to perform (A) would result in a failure of certain of the conditions set forth under *The Transaction Agreement Conditions to the Completion of the Acquisition and the Merger* above and (B) is not reasonably capable of being cured by March 15, 2015, or, in circumstances in which the only outstanding unsatisfied conditions relate to antitrust approval, June 15, 2015, provided that, if curable, Medtronic must give Covidien written notice, delivered at least 30 days prior to such termination, stating Medtronic s intention to terminate the Transaction Agreement for such reason and the basis for such termination and such breach or failure to perform has not been cured within 30 days following the delivery of such written notice; and

a Covidien Alternative Proposal is consummated, or a definitive agreement providing for a Covidien Alternative Proposal is entered into, within twelve months after such termination (regardless of whether such Covidien Alternative Proposal is the same Covidien Alternative Proposal referred to in the first clause above).

Upon Medtronic becoming entitled to a reimbursement payment, Covidien will have no further liability in connection with the termination of the Transaction Agreement, except for liability for willful breach, fraud or as provided in the confidentiality agreement between Medtronic and Covidien dated as of April 23, 2014.

Goldman Sachs has confirmed in writing to the Irish Takeover Panel that, in the opinion of Goldman Sachs and Covidien, in the context of the acquisition, Covidien s entry into the expenses reimbursement agreement was in the best interests of Covidien and the Covidien shareholders.

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FINANCING RELATING TO THE TRANSACTION

General

Medtronic initially contemplated financing a substantial portion of the cash component of the scheme consideration through an intercompany loan from one or more of its non-U.S. subsidiaries to IrSub. However, as announced on October 3, 2014, following the September 22, 2014 announcement by the U.S. Treasury Department and the IRS, Medtronic now expects that it will incur approximately $16.3 billion in external indebtedness to finance the cash component of the scheme consideration. Medtronic expects that a substantial portion of such external indebtedness will be incurred by Medtronic prior to the consummation of the transaction and will be guaranteed by New Medtronic. As a result, Medtronic, or its affiliates, will have a sufficient amount of cash available to it by the time of the consummation of the transaction to fund the cash component of the scheme consideration.

Bridge Credit Agreement

On November 7, 2014, Medtronic entered into the 364-day senior unsecured Bridge Credit Agreement, among Medtronic, New Medtronic, Medtronic Luxco, the lenders from time to time party thereto and Bank of America, N.A., as administrative agent. Under the Bridge Credit Agreement, the lenders party thereto have committed to provide Medtronic with unsecured bridge financing in an aggregate principal amount of up to $11.3 billion. The commitments are intended to be available to finance, in part, the cash component of the scheme consideration and certain transaction expenses to the extent Medtronic does not arrange for alternative financing prior to the consummation of the transaction. New Medtronic and Medtronic Luxco have guaranteed the obligations of Medtronic under the Bridge Credit Agreement. If Medtronic draws loans under the Bridge Credit Agreement, it intends to refinance any such loans with the proceeds of other external indebtedness.

Term Loan Credit Agreement

On November 7, 2014, Medtronic also entered into the three-year senior unsecured Term Loan Credit Agreement among Medtronic, New Medtronic, Medtronic Luxco, the lenders from time to time party thereto and Bank of America, N.A., as administrative agent. Under the Term Loan Credit Agreement, the lenders party thereto have committed to provide Medtronic with unsecured term loan financing in an aggregate principal amount of up to $5.0 billion. Medtronic intends to draw upon such commitments on the consummation of the transaction to finance, in part, the cash component of the scheme consideration and certain transaction expenses. New Medtronic and Medtronic Luxco have guaranteed the obligations of Medtronic under the Term Loan Credit Agreement.

Termination of Existing Bridge Credit Agreements

In connection with entering into the Bridge Credit Agreement and the Term Loan Credit Agreement, on November 7, 2014, Medtronic terminated the unsecured bridge commitments previously provided to it in an aggregate principal amount of $2.8 billion under the 364-day senior unsecured bridge credit agreement dated as of June 15, 2014. On the same date, IrSub terminated the unsecured bridge commitments previously provided to it in an aggregate principal amount of $13.5 billion under the 60-day senior unsecured cash bridge credit agreement dated as of June 15, 2014.

Summary of Terms of the Bridge Credit Agreement and the Term Loan Credit Agreement

The funding of the loans under each Credit Agreement is conditioned on, among other things, the consummation of the transaction and the absence of certain events of defaults described in each Credit Agreement. The commitments under each Credit Agreement automatically terminate on the earliest of (a) the disbursement of the loans to Medtronic

on the Disbursement Date, (b) the occurrence of certain mandatory cancellation events or (c) March 15, 2015 (or, if all but certain conditions under the Transaction Agreement have been completed, June 15, 2015).

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Loans outstanding under each Credit Agreement will bear interest, at Medtronic s option, either (a) at the base rate (defined as the highest of (1) the prime rate of Bank of America, N.A., (2) the federal funds rate plus 0.50% and (3) the applicable interest rate for a eurodollar loan with a one month interest period beginning on such day plus 1.00%) or (b) at the eurodollar rate, plus, in each case, an applicable margin that will vary depending on the debt rating of Medtronic and, in the case of the Bridge Credit Agreement, the number of days which the loans remain outstanding from the Disbursement Date. In addition, under each Credit Agreement, Medtronic has agreed to pay (x) nonrefundable ticking interest of 0.05% on the amount of the aggregate commitments in effect from November 7, 2014 through the termination of the commitments and (y) solely in the case of the Bridge Credit Agreement, a non-refundable duration fee of 0.50%, 0.75% and 1.00% on the 90th, 180th and 270th days, respectively, after the Disbursement Date on the aggregate principal amount of the loans outstanding on such day.

The borrower may voluntarily prepay the loans under each Credit Agreement at any time without premium or penalty. The Bridge Credit Agreement also requires mandatory prepayments with the net cash proceeds of certain asset sales, debt or equity issuances and recovery events, subject to customary exceptions. Each Credit Agreement also contains customary events of default, upon the occurrence of which, and for so long as such event of default is continuing, the amounts outstanding under such Credit Agreement will accrue interest at an increased rate and payments of such outstanding amounts could be accelerated by the lenders. In addition, the loan parties under each Credit Agreement will be subject to certain affirmative and negative covenants.

Amended and Restated Revolving Credit Agreement

On November 7, 2014, Medtronic also entered into the Revolver Amendment Agreement, among Medtronic, New Medtronic, Medtronic Luxco, the lenders from time to time party thereto and Bank of America, N.A., as administrative agent and issuing bank. Under the Revolver Amendment Agreement, the parties thereto have agreed to enter into the Amended and Restated Revolving Credit Agreement dated as of December 17, 2012, among Medtronic, the lenders from time to time party thereto and Bank of America N.A., as administrative agent and issuing bank.

The effectiveness of the Amended and Restated Revolving Credit Agreement is conditioned on, among other things, the consummation of the acquisition. Under the Amended and Restated Revolving Credit Agreement, the lenders party thereto will provide Medtronic and Medtronic Luxco with unsecured revolving credit commitments in an aggregate principal amount of up to $3.5 billion. The commitments are intended to be used for general corporate purposes, including acquisitions and working capital of Medtronic and Medtronic Luxco, and to replace the revolving credit facility currently available to Covidien. Medtronic and Medtronic Luxco will be co-borrowers under the Amended and Restated Revolving Credit Agreement and each of Medtronic, Medtronic Luxco and New Medtronic will also guarantee the obligations of the co-borrowers under the Amended and Restated Revolving Credit Agreement.

A copy of the Bridge Credit Agreement is included as Exhibit 10.60 to the registration statement of which this joint proxy statement/prospectus forms a part. A copy of the Term Loan Credit Agreement is included as Exhibit 10.61 to the registration statement of which this joint proxy statement/prospectus forms a part. A copy of the Amended and Restated Revolving Credit Agreement is included as Exhibit 10.62 to the registration statement of which this joint proxy statement/prospectus forms a part. For further information regarding the Bridge Credit Agreement, the Term Loan Credit Agreement and the Amended and Restated Revolving Credit Agreement, please see the full text of the Bridge Credit Agreement, a copy of which is filed as Exhibit 10.1 to Medtronic s Current Report on Form 8-K filed with the SEC on November 10, 2014, the full text of the Term Loan Credit Agreement, a copy of which is filed as Exhibit 10.2 to Medtronic s Current Report on Form 8-K filed with the SEC on November 10, 2014 and the full text of the Amended and Restated Revolving Credit Agreement, a copy of which is filed as Exhibit 10.3 to Medtronic s Current Report on Form 8-K filed with the SEC on November 10, 2014.

Perella Weinberg is satisfied that sufficient resources are available to satisfy in full the cash consideration payable to Covidien shareholders under the terms of the acquisition.

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CREATION OF DISTRIBUTABLE RESERVES OF NEW MEDTRONIC

Under Irish law, dividends and distributions and, generally, share repurchases and redemptions may only be made from distributable reserves in New Medtronic s unconsolidated balance sheet prepared in accordance with the Irish Companies Acts. Distributable reserves generally means the accumulated realized profits of New Medtronic less accumulated realized losses of New Medtronic and includes reserves created by way of a reduction in the share premium account. In addition, no distribution or dividend may be made by New Medtronic unless the net assets of New Medtronic are equal to, or in excess of, the aggregate of New Medtronic s called up share capital plus undistributable reserves and the distribution does not reduce New Medtronic s net assets below such aggregate. Undistributable reserves include the share premium account, the capital redemption reserve fund and the amount by which New Medtronic s accumulated unrealized profits, so far as not previously utilized by any capitalization, exceed New Medtronic s accumulated unrealized losses, so far as not previously written off in a reduction or reorganization of capital. Please see *Description of New Medtronic Ordinary Shares Dividends* and *Description of New Medtronic Ordinary Shares Share Repurchases, Redemptions and Conversions*.

Immediately following the transaction, the unconsolidated balance sheet of New Medtronic will not contain any distributable reserves, and shareholders equity in such balance sheet will be comprised entirely of share capital (equal to the aggregate par value of the New Medtronic shares issued pursuant to the transaction) and share premium resulting from (i) the issuance of New Medtronic shares in the proposed scheme of arrangement and (ii) a subscription for New Medtronic shares by MergerSub prior to the merger. The share premium account arising shall be equal to (1) the sum of (a) the aggregate market value of the Covidien ordinary shares as of the close of trading on the NYSE on the day the transaction is completed, less the cash consideration paid to the Covidien shareholders pursuant to the acquisition, and (b) the subscription price for the New Medtronic shares subscribed for by MergerSub prior to the merger less (2) the nominal value of New Medtronic s ordinary share capital.

Prior to completion of the transaction, the current shareholders of New Medtronic will have unanimously passed a resolution that would create distributable reserves following completion of the transaction and will have begun the process of obtaining the required approval of the Irish High Court by converting to distributable reserves the entire amount standing to the credit of the share premium account of New Medtronic immediately following completion of the transaction, or such lesser amount as may be determined by the Irish High Court or the directors of New Medtronic in their absolute discretion.

The Medtronic common shareholders are being asked at the Medtronic special meeting and the Covidien shareholders are being asked at the Covidien EGM to approve a proposal to reduce the share premium account of New Medtronic to allow the creation of distributable reserves of New Medtronic. If the shareholders of both Medtronic and Covidien approve the creation of distributable reserves and the transaction is completed, such approval will facilitate New Medtronic seeking to obtain the approval of the Irish High Court with respect to the creation of distributable reserves, which is required for the creation of distributable reserves to be effective, as soon as practicable following the completion of the transaction. New Medtronic is expected to obtain the approval of the Irish High Court within 15 weeks after completion of the transaction.

The approval of the distributable reserves proposal is not a condition to the completion of the transaction and whether or not it is approved will have no impact on the completion of the transaction. Accordingly, if the shareholders of Medtronic and Covidien approve the transaction but either the shareholders of Medtronic or of Covidien (or both) do not approve the distributable reserves proposal, the transaction will still be completed. Until the Irish High Court approval is obtained or distributable reserves are created as a result of the profitable operation of the New Medtronic group, New Medtronic will not have sufficient distributable reserves to pay dividends or to repurchase or redeem shares following the transaction, including under the current share repurchase plans of Medtronic. In addition,

although New Medtronic is not aware of any reason why the Irish High Court would not approve the creation of distributable reserves, the issuance of the required order is a matter for the discretion of the Irish High Court.

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MEDTRONIC SHAREHOLDER VOTE ON SPECIFIED COMPENSATORY ARRANGEMENTS

Advisory Vote on Golden Parachute Compensation

In accordance with Section 14A of the Exchange Act, Medtronic is providing its shareholders with the opportunity to cast a non-binding, advisory vote at the special meeting on the compensation that may be paid or become payable to its named executive officers in connection with the transaction and the agreements and understandings pursuant to which such compensation may be paid or become payable. As required by those rules, Medtronic is asking its shareholders to vote on the adoption of the following resolution:

RESOLVED, that the compensation that may be paid or become payable to Medtronic s named executive officers in connection with the transaction, as disclosed in the section of the joint proxy statement/prospectus entitled *The Transaction Interests of Certain Persons in the Transaction Medtronic Quantification of Payments and Benefits to Medtronic s Named Executive Officers* including the associated narrative discussion, are hereby APPROVED.

Required Vote

The vote on executive compensation payable in connection with the transaction is a vote separate and apart from the vote to approve the transaction. Accordingly, you may vote to approve the executive compensation and vote not to approve the transaction and vice versa. Because the vote is advisory in nature only, it will not be binding on Medtronic or New Medtronic.

The affirmative vote of holders of a majority of the Medtronic common shares represented, in person or by proxy that authorizes such shares to be voted on this proposal, at the special meeting is required to approve, on a non-binding, advisory basis, the specified compensatory arrangements between Medtronic and its named executive officers relating to the transaction. Because the vote required to approve this proposal is based upon the total number of Medtronic voting shares represented, in person or by proxy that entitles such shares to be voted on this proposal, abstentions and failures by persons in attendance at the meeting to vote shares that are represented, in person or by proxy that entitles such shares to be voted on this proposal, at the special meeting will have the same effect as a vote against this proposal. Broker non-votes will have no effect on this proposal.

The transaction is **not** conditioned on approval of this proposal.

Recommendation

The Medtronic board of directors recommends that you vote **FOR** the approval, on a non-binding, advisory basis, of the specified compensatory arrangements between Medtronic and its named executive officers relating to the transaction.

In considering the recommendation of the Medtronic board of directors, you should be aware that directors and executive officers of Medtronic have interests in the proposed transaction that are in addition to, or different from, any interests they might have as shareholders. See *The Transaction Interests of Certain Persons in the Transaction Medtronic*.

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COVIDIEN SHAREHOLDER VOTE ON SPECIFIED COMPENSATORY ARRANGEMENTS

Advisory Vote on Golden Parachute Compensation

In accordance with Section 14A of the Exchange Act, Covidien is providing its shareholders with the opportunity to cast a non-binding, advisory vote at the special meeting on the compensation that may be paid or become payable to its named executive officers in connection with the transaction and the agreements and understandings pursuant to which such compensation may be paid or become payable. As required by those rules, Covidien is asking its shareholders to vote on the adoption of the following resolution:

RESOLVED, that the compensation that may be paid or become payable to Covidien s named executive officers in connection with the transaction, as disclosed in the section of the joint proxy statement/prospectus entitled *The Transaction Interests of Certain Persons in the Transaction Covidien Quantification of Payments and Benefits to Covidien s Named Executive Officers* including the associated narrative discussion, are hereby APPROVED.

Required Vote

The vote on executive compensation payable in connection with the transaction is a vote separate and apart from the vote to approve the transaction. Accordingly, you may vote to approve the executive compensation and vote not to approve the transaction and vice versa. Because the vote is advisory in nature only, it will not be binding on Covidien or New Medtronic.

The affirmative vote of holders of a majority of Covidien ordinary shares present or represented by proxy at the special meeting and entitled to vote thereon is required to approve, on a non-binding, advisory basis, the specified compensatory arrangements between Covidien and its named executive officers relating to the transaction.

Recommendation

The Covidien board of directors recommends that you vote **FOR** the approval, on a non-binding advisory basis, of the specified compensatory arrangements between Covidien and its named executive officers relating to the transaction.

In considering the recommendation of the Covidien directors, you should be aware that directors and executive officers of Covidien have interests in the proposed transaction that are in addition to, or different from, any interests they might have as shareholders. See *The Transaction Interests of Certain Persons in the Transaction Covidien*.

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COMPARATIVE PER SHARE DATA

The following tables set forth certain historical, pro forma, and pro forma equivalent per share financial information for the Medtronic common shares and Covidien ordinary shares. The unaudited pro forma and pro forma equivalent per share financial information gives effect to the acquisition of Covidien by Medtronic as if the transaction had occurred on July 25, 2014 for book value per share and as of April 27, 2013 for net earnings per share data.

The pro forma per share balance sheet information combines Medtronic s July 25, 2014 audited consolidated balance sheet with Covidien s June 27, 2014 unaudited condensed consolidated balance sheet. The pro forma per share statement of earnings information for the three months ended July 25, 2014 combines Medtronic s unaudited condensed consolidated statement of earnings for the three months ended July 25, 2014 with Covidien s unaudited condensed consolidated statement of income for the three months ended June 27, 2014. The pro forma per share statement of earnings information for the fiscal year ended April 25, 2014 combines Medtronic s audited consolidated statement of earnings for the fiscal year ended April 25, 2014 with Covidien s unaudited condensed consolidated statement of income for the twelve months ended March 28, 2014. Covidien s unaudited condensed consolidated statement of income for the twelve months ended March 28, 2014 is derived from Covidien s audited consolidated statement of income for the fiscal year ended September 27, 2013 plus Covidien s unaudited condensed consolidated statement of income for the six months ended March 28, 2014 minus Covidien s unaudited condensed consolidated statement of income for the six months ended March 29, 2013. The Covidien pro forma equivalent data per ordinary share financial information is calculated by multiplying the combined unaudited pro forma data per ordinary share amounts by the exchange ratio (0.956 of a New Medtronic ordinary share for each Covidien ordinary share). The exchange ratio does not include the $35.19 per share cash portion of the acquisition consideration.

New Medtronic was formed on June 12, 2014 for purposes of facilitating the acquisition and does not maintain any material balances nor has it had any material activity since formation.

The following information should be read in conjunction with the audited financial statements of Medtronic, which are included in this joint proxy statement/prospectus, and Covidien, which are incorporated by reference in this joint proxy statement/prospectus, and the financial information contained in the *Unaudited Pro Forma Condensed Combined Financial Information* and *Selected Historical Financial Data of Medtronic* sections of this joint proxy statement/prospectus beginning on page 161 and 63, respectively. The unaudited pro forma information below is presented for informational purposes only and is not necessarily indicative of the operating results or financial position that would have occurred if the transaction had been completed as of the periods presented, nor is it necessarily indicative of the future operating results or financial position of the combined company. In addition, the unaudited pro forma information does not purport to indicate balance sheet data or results of operations data as of any future date or for any future period.

	As of and for the three months ended July 25, 2014	**As of and for the fiscal year ended April 25, 2014**
Medtronic Historical Data per Common Share		
Net earnings per common share:		

Basic	$	0.88	$	3.06
Diluted		0.87		3.02
Cash dividends declared per common share		0.305		1.120
Book value per common share	$	19.54	$	19.46

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	As of and for the three months ended June 27, 2014	As of and for the fiscal year ended September 27, 2013	As of and for the six months ended March 28, 2014	As of and for the six months ended March 29, 2013
Covidien Historical Data per Ordinary Share				
Net income from continuing operations per ordinary share:				
Basic	$ 0.68	$ 3.43	$ 1.86	$ 1.77
Diluted	0.67	3.40	1.84	1.75
Cash dividends declared per ordinary share		1.10	0.64	0.52
Book value per ordinary share	$ 22.04	$ 20.41	$ 21.22	$ 23.34

	As of and for the three months ended July 25, 2014	As of and for the fiscal year ended April 25, 2014
New Medtronic Combined Unaudited Pro Forma Data per Ordinary Share		
Earnings from continuing operations per ordinary share:		
Basic	$ 0.56	$ 2.05
Diluted	0.55	2.03
Cash dividends declared per ordinary share	0.305	1.120
Book value per ordinary share[(1)]	$ 34.82	N/A

	As of and for the three months ended July 25, 2014	As of and for the fiscal year ended April 25, 2014
Covidien Unaudited Pro Forma Equivalent Data per Ordinary Share		
Net income from continuing operations per ordinary share:		
Basic	$ 0.54	$ 1.96
Diluted	0.53	1.94
Cash dividends declared per ordinary share	0.292	1.070
Book value per ordinary share[(1)]	$ 33.29	N/A

(1) Pro forma book value per share is not meaningful as of April 25, 2014, as purchase accounting adjustments were calculated as of July 25, 2014.

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COMPARATIVE PER SHARE MARKET PRICE DATA AND DIVIDEND INFORMATION

Medtronic common shares are listed and traded on the NYSE under the symbol MDT. Covidien ordinary shares are listed and traded on the NYSE under the symbol COV. The following table sets forth, for the calendar quarters indicated, the high and low sales prices per share of Medtronic common shares and the high and low sales prices per share of Covidien ordinary shares, in each case as reported on the NYSE, as adjusted for all stock splits or stock dividends. In addition, the table also sets forth the quarterly cash dividends per share declared by Medtronic with respect to its common shares and Covidien with respect to its ordinary shares. On November 18, 2014, the record date for the Medtronic special meeting, there were 983,545,016 shares of Medtronic common shares outstanding. On November 18, 2014, the record date for the Covidien special meetings, there were 452,731,347 Covidien ordinary shares outstanding.

Data on Medtronic

	FY 14, Q2 October 25, 2013	FY 14, Q3 January 24, 2014	FY 14, Q4 April 25, 2014	FY 15, Q1 July 25, 2014
High sales price per share of Medtronic common shares	$ 57.88	$ 60.93	$ 62.90	$ 65.50
Low sales price per share of Medtronic common shares	$ 51.22	$ 55.56	$ 53.33	$ 58.00
Cash dividends per share declared by Medtronic with respect to its common shares	$ 0.28	$ 0.28	$ 0.28	$ 0.305

Data on Covidien

	FY 14, Q1 December 27, 2013	FY 14, Q2 March 28, 2014	FY 14, Q3 June 27, 2014	FY 14, Q4 September 26, 2014
High sales price per share of Covidien ordinary shares	$ 68.88	$ 73.39	$ 92.38	$ 91.78
Low sales price per share of Covidien ordinary shares	$ 59.72	$ 65.97	$ 64.44	$ 81.60
Cash dividends per share declared by Covidien with respect to its ordinary shares	$	$ 0.64	$	$ 0.68

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DESCRIPTION OF NEW MEDTRONIC ORDINARY SHARES

The following description of New Medtronic s share capital is a summary. This summary does not purport to be complete and is qualified in its entirety by reference to the Irish Companies Acts and the complete text of New Medtronic s memorandum and articles of association, which, at the effective time, will be substantially in the form attached as Annex D to this joint proxy statement/prospectus. You should read those laws and documents carefully.

There are differences between Medtronic s bylaws and articles of incorporation and New Medtronic s memorandum and articles of association as they will be in effect after the closing. Certain provisions of the Medtronic bylaws and articles of incorporation will not be replicated in the New Medtronic memorandum and articles of association because Irish law would not permit such replication, and certain provisions will be included in the New Medtronic memorandum and articles of association although they were not in the Medtronic bylaws and articles of incorporation because Irish law requires such provisions to be included in the memorandum and articles of association of an Irish public limited company or such provisions were applicable under Minnesota law. See *Comparison of the Rights of Holders of Medtronic Common Shares and New Medtronic Ordinary Shares*.

There are also differences between Covidien s current memorandum and articles of association and New Medtronic s memorandum and articles of association as they will be in effect after the closing. Certain provisions of Covidien s current memorandum and articles of association will not be replicated in the New Medtronic memorandum and articles of association, and certain provisions will be included in the New Medtronic memorandum and articles of association although they are not in Covidien s current memorandum and articles of association. See *Comparison of the Rights of Holders of Covidien Ordinary Shares and New Medtronic Ordinary Shares*.

Except where otherwise indicated, the description below reflects New Medtronic s memorandum and articles of association as those documents will be in effect as of the effective time of the scheme. The statements in this section are qualified in their entirety by reference to, and are subject to, the detailed provisions of the memorandum and articles of association of New Medtronic as they will be in effect from and after the completion of the transaction.

Capital Structure

Authorized Share Capital

Immediately prior to the completion of the transaction, the authorized share capital of New Medtronic will be 40,000 and $26,260,000 comprised of 40,000 Euro Deferred Shares of 1.00 each, 2,600,000,000 Ordinary Shares of $0.0001 each, 127,500,000 Preferred Shares of $0.20 each and 500,000 A preferred shares of $1.00 each with a liquidation preference per share as determined by the directors.

New Medtronic may issue shares subject to the maximum authorized share capital contained in its memorandum and articles of association. The authorized share capital may be increased or reduced by a resolution approved by a simple majority of the votes of New Medtronic s shareholders cast at a general meeting (referred to under Irish law as an ordinary resolution). The shares comprising the authorized share capital of New Medtronic may be divided into shares of such nominal value as the resolution shall prescribe. As a matter of Irish company law, the directors of a company may issue new ordinary or preferred shares without shareholder approval once authorized to do so by the articles of association or by an ordinary resolution adopted by the shareholders at a general meeting. The authorization may be granted for a maximum period of five years, at which point it must be renewed by the shareholders by an ordinary resolution. The articles of association of New Medtronic authorize the board of directors of New Medtronic to issue new ordinary or preferred shares without shareholder approval for a period of five years from the date of adoption of such articles of association, which are expected to become effective before the completion of the acquisition.

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The rights and restrictions to which the ordinary shares will be subject will be prescribed in New Medtronic s articles of association. New Medtronic s articles of association entitle the New Medtronic board of directors, without shareholder approval, to determine the terms of the preferred shares issued by New Medtronic. Preferred shares may be preferred as to dividends, rights upon liquidation or voting in such manner as the directors of New Medtronic may resolve. The preferred shares may also be redeemable at the option of the holder of the preferred shares or at the option of New Medtronic, and may be convertible into or exchangeable for shares of any other class or classes of New Medtronic, depending on the terms of such preferred shares.

The holders of the A preferred shares will be entitled in priority to any payments of dividends on any other class of shares in New Medtronic to be paid a dividend in the amount per A preferred share equal to twice the dividend to be paid per ordinary share and in addition on a return of assets, whether on liquidation or otherwise, the A preferred shares will entitle the holders to repayment of the capital paid up on those shares (including any share premium) in priority to any repayment of capital to the holders of any other shares. The holders of the A preferred shares will not be entitled to any further participation in the assets or profits of New Medtronic nor will the holders of the A preferred shares, which are non-voting shares, be entitled to receive notice of, nor to attend, speak or vote at any general meeting of New Medtronic.

Irish law does not recognize fractional shares held of record. Accordingly, New Medtronic s articles of association will not provide for the issuance of fractional shares of New Medtronic, and the official Irish register of New Medtronic will not reflect any fractional shares.

Whenever an alteration or reorganization of the share capital of New Medtronic would result in any New Medtronic shareholder becoming entitled to fractions of a share, the New Medtronic board of directors may, on behalf of those shareholders that would become entitled to fractions of a share, arrange for the sale of the shares representing fractions and the distribution of the net proceeds of sale in due proportion among the shareholders who would have been entitled to the fractions.

Issued Share Capital

Immediately prior to the completion of the transaction, the issued share capital of New Medtronic will consist of 40,000 Euro Deferred Shares par value 1.00 per share (aggregating 40,000 of share capital) and A preferred shares par value $1.00 per share having an aggregate liquidation preference (consisting of par value and share premium) of up to $100,000. Based on the number of Covidien shares outstanding as of the record date, New Medtronic is expected to issue approximately 433 million ordinary shares with a par value of $0.0001 per share to the former shareholders of Covidien on completion of the transaction. In connection with the completion of the transaction, New Medtronic will also issue a number of ordinary shares with a par value of $0.0001 per share that is equal to the number of Medtronic common shares that will be automatically converted into the right to receive New Medtronic ordinary shares and canceled as part of the transaction.

Preemption Rights, Share Warrants and Share Options

Under Irish law certain statutory preemption rights apply automatically in favor of shareholders where shares are to be issued for cash. However, New Medtronic has opted out of these preemption rights in its articles of association as permitted under Irish company law. Because Irish law requires this opt-out to be renewed every five years by a resolution approved by not less than 75% of the votes of the shareholders of New Medtronic cast at a general meeting (referred to under Irish law as a special resolution), New Medtronic s articles of association provide that this opt-out must be so renewed. If the opt-out is not renewed, shares issued for cash must be offered to existing shareholders of New Medtronic on a pro rata basis to their existing shareholding before the shares can be issued to any new

shareholders. The statutory preemption rights do not apply where shares are issued for non-cash consideration (such as in a stock-for-stock acquisition) and do not apply to the issue of non-equity shares (that is, shares that have the right to participate only up to a specified amount in any income or capital distribution) or where shares are issued pursuant to an employee stock option or similar equity plan.

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The memorandum and articles of association of New Medtronic provide that, subject to any shareholder approval requirement under any laws, regulations or the rules of any stock exchange to which New Medtronic is subject, the board is authorized, from time to time, in its discretion, to grant such persons, for such periods and upon such terms as the board deems advisable, options to purchase such number of shares of any class or classes or of any series of any class as the board may deem advisable, and to cause warrants or other appropriate instruments evidencing such options to be issued. The Irish Companies Acts provide that directors may issue share warrants or options without shareholder approval once authorized to do so by the articles of association or an ordinary resolution of shareholders. New Medtronic will be subject to the rules of the NYSE and the Code that require shareholder approval of certain equity plan and share issuances. New Medtronic s board of directors may issue shares upon exercise of warrants or options without shareholder approval or authorization (up to the relevant authorized share capital limit). At the effective time of the merger, each outstanding Medtronic option, restricted stock award and other equity award will be converted into an option, restricted stock award or other equity award, as applicable, denominated in New Medtronic ordinary shares, which award will be subject to the same number of New Medtronic ordinary shares and the same terms and conditions (including vesting and other lapse restrictions) as were applicable to the Medtronic award in respect of which it was issued immediately prior to the effective time.

Dividends

Under Irish law, dividends and distributions may be made only from distributable reserves. Distributable reserves generally means accumulated realized profits less accumulated realized losses and includes reserves created by way of capital reduction. In addition, no distribution or dividend may be made unless the net assets of New Medtronic are equal to, or in excess of, the aggregate of New Medtronic s called up share capital plus undistributable reserves and the distribution does not reduce New Medtronic s net assets below such aggregate. Undistributable reserves include the share premium account, the capital redemption reserve fund and the amount by which New Medtronic s accumulated unrealized profits, so far as not previously utilized by any capitalization, exceed New Medtronic s accumulated unrealized losses, so far as not previously written off in a reduction or reorganization of capital.

The determination as to whether or not New Medtronic has sufficient distributable reserves to fund a dividend must be made by reference to relevant accounts of New Medtronic. The relevant accounts will be either the last set of unconsolidated annual audited financial statements or other financial statements properly prepared in accordance with the Irish Companies Acts, which give a true and fair view of New Medtronic s unconsolidated financial position and accord with accepted accounting practice. The relevant accounts must be filed in the Companies Registration Office (the official public registry for companies in Ireland).

Although New Medtronic will not have any distributable reserves immediately following the effective time, Covidien, Medtronic and New Medtronic are taking steps to create such distributable reserves, which includes the proposal to create distributable reserves on which Medtronic and Covidien shareholders will vote at the relevant special meetings. Please see *Risk Factors*, *Creation of Distributable Reserves of New Medtronic*, *The Special Meeting of Medtronic s Shareholders* and *The Special Meetings of Covidien s Shareholders.*

New Medtronic s memorandum and articles of association authorize the directors to declare dividends out of funds lawfully available for the purpose without shareholder approval. The board of directors may also recommend a dividend to be approved and declared by the New Medtronic shareholders at a general meeting. The board of directors may direct that the payment be made by distribution of assets, shares or cash and no dividend issued may exceed the amount recommended by the directors. Dividends may be declared and paid in the form of cash or non-cash assets and may be paid in U.S. dollars or any other currency.

The directors of New Medtronic may deduct from any dividend payable to any shareholder any amounts payable by such shareholder to New Medtronic in relation to the shares of New Medtronic.

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The directors may also authorize New Medtronic to issue shares with preferred rights to participate in dividends declared by New Medtronic. The holders of preferred shares may, depending on their terms, rank senior to the New Medtronic ordinary shares in terms of dividend rights and/or be entitled to claim arrears of a declared dividend out of subsequently declared dividends in priority to ordinary shareholders.

The holders of the A preferred shares will be entitled in priority to any payment of dividend on any other class of shares in New Medtronic to be paid a dividend in the amount per A preferred share equal to twice the dividend to be paid per ordinary share.

The 40,000 Euro Deferred Shares do not have any right to receive a dividend.

For information about the Irish tax issues relating to dividend payments, please see the section entitled *Material Tax Consequences of the Proposed Transaction Irish Tax Considerations Withholding Tax on Dividends*.

Share Repurchases, Redemptions and Conversions

Overview

New Medtronic s memorandum and articles of association provide that any ordinary share which New Medtronic has agreed to acquire will be deemed to be a redeemable share, unless the board resolves otherwise. Accordingly, for Irish company law purposes, the repurchase of ordinary shares by New Medtronic may technically be effected as a redemption of those shares as described below under *Description of New Medtronic Ordinary Shares Share Repurchases, Redemptions and Conversions Repurchases and Redemptions by New Medtronic*. If the articles of association of New Medtronic did not contain such provision, all repurchases by New Medtronic would be subject to many of the same rules that apply to purchases of New Medtronic ordinary shares by subsidiaries described below under *Purchases by Subsidiaries of New Medtronic*, including the shareholder approval requirements described below and the requirement that any on-market purchases be effected on a recognized stock exchange. Except where otherwise noted, references elsewhere in this joint proxy statement/prospectus to repurchasing or buying back ordinary shares of New Medtronic refer to the redemption of ordinary shares by New Medtronic or the purchase of ordinary shares of New Medtronic by a subsidiary of New Medtronic, in each case in accordance with the New Medtronic memorandum and articles of association and Irish company law as described below.

Repurchases and Redemptions by New Medtronic

Under Irish law, a company may issue redeemable shares and redeem them out of distributable reserves or the proceeds of a new issue of shares for that purpose. As described in *Creation of Distributable Reserves of New Medtronic*, New Medtronic will not have any distributable reserves immediately following the effective time, however, it will take steps to create such distributable reserves. Please see also *Description of New Medtronic Ordinary Shares Dividends* and *Risk Factors*. New Medtronic may only issue redeemable shares if the nominal value of the issued share capital that is not redeemable is not less than 10% of the nominal value of the total issued share capital of New Medtronic. All redeemable shares must also be fully-paid and the terms of redemption of the shares must provide for payment on redemption. Redeemable shares may, upon redemption, be cancelled or held in treasury. Based on the provision of New Medtronic s articles described above, shareholder approval will not be required to redeem New Medtronic shares.

New Medtronic may also be given an additional general authority by its shareholders to purchase its own shares on-market, which would take effect on the same terms and be subject to the same conditions as applicable to purchases by New Medtronic s subsidiaries as described below.

The board of directors of New Medtronic may also issue preferred shares which may be redeemed at the option of either New Medtronic or the shareholder, depending on the terms of such preferred shares. Please see *Description of New Medtronic Ordinary Shares Capital Structure Authorized Share Capital* for additional information on preferred shares.

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Repurchased and redeemed shares may be cancelled or held as treasury shares. The nominal value of treasury shares held by New Medtronic at any time must not exceed 10% of the nominal value of the issued share capital of New Medtronic. New Medtronic may not exercise any voting rights in respect of any shares held as treasury shares. Treasury shares may be cancelled by New Medtronic or re-issued subject to certain conditions.

New Medtronic s articles of association provide that New Medtronic may not, directly or indirectly, purchase or agree to purchase any shares entitled to vote from a person who beneficially owns more than five percent of the voting power of New Medtronic for more than the market value thereof if the shares have been beneficially owned by the person for less than two years, unless the purchase or agreement to purchase is approved at a meeting of shareholders by the affirmative vote of the holders of not less than a majority of the issued and outstanding shares of New Medtronic entitled to vote or New Medtronic makes an offer, of at least equal value per share, to all holders of shares of the class or series and to all holders of any class or series into which the securities may be converted.

Purchases by Subsidiaries of New Medtronic

Under Irish law, an Irish or non-Irish subsidiary may purchase shares of New Medtronic either on-market or off-market. For a subsidiary of New Medtronic to make on-market purchases of New Medtronic ordinary shares, the shareholders of New Medtronic must provide general authorization for such purchase by way of ordinary resolution. However, as long as this general authority has been granted, no specific shareholder authority for a particular on-market purchase by a subsidiary of New Medtronic ordinary shares is required. For an off-market purchase by a subsidiary of New Medtronic, the proposed purchase contract must be authorized by special resolution of the shareholders before the contract is entered into. The person whose shares are to be bought back cannot vote in favor of the special resolution and, for at least 21 days prior to the special resolution being passed, the purchase contract must be on display or must be available for inspection by shareholders at the registered office of New Medtronic.

In order for a subsidiary of New Medtronic to make an on-market purchase of New Medtronic s shares, such shares must be purchased on a recognized stock exchange. The NYSE, on which the shares of New Medtronic will be listed following the closing, is specified as a recognized stock exchange for this purpose by Irish company law.

The number of shares held by the subsidiaries of New Medtronic at any time will count as treasury shares and will be included in any calculation of the permitted treasury share threshold of 10% of the nominal value of the issued share capital of New Medtronic. While a subsidiary holds shares of New Medtronic, it cannot exercise any voting rights in respect of those shares. The acquisition of the shares of New Medtronic by a subsidiary must be funded out of distributable reserves of the subsidiary.

Lien on Shares, Calls on Shares and Forfeiture of Shares

New Medtronic s articles of association provide that New Medtronic will have a first and paramount lien on every share for all debts and liabilities of any shareholder to the company, whether presently due or not, payable in respect of such share. Subject to the terms of their allotment, directors may call for any unpaid amounts in respect of any shares to be paid, and if payment is not made, the shares may be forfeited. These provisions are standard inclusions in the articles of association of an Irish company limited by shares such as New Medtronic and will only be applicable to shares of New Medtronic that have not been fully paid up. See also *Transfer and Registration of Shares* below.

Consolidation and Division; Subdivision

Under its articles of association, New Medtronic may, by ordinary resolution, consolidate and divide all or any of its share capital into shares of larger nominal value than its existing shares or subdivide its shares into smaller amounts

than is fixed by its memorandum of association.

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Reduction of Share Capital

New Medtronic may, by ordinary resolution, reduce its authorized share capital in any way. New Medtronic also may, by special resolution and subject to confirmation by the Irish High Court, reduce or cancel its issued share capital in any manner permitted by the Irish Companies Act.

Annual Meetings of Shareholders

New Medtronic will be required to hold an annual general meeting within 18 months of incorporation and at intervals of no more than 15 months thereafter, provided that an annual general meeting is held in each calendar year following the first annual general meeting and no more than nine months after New Medtronic s fiscal year-end. New Medtronic plans to hold its first annual general meeting in 2015 if the transaction is consummated. Subject to Section 140 at the Irish Companies Act 1963, all general meetings may be held outside of Ireland.

Notice of an annual general meeting must be given to all New Medtronic shareholders and to the auditors of New Medtronic. The articles of association of New Medtronic provide for a minimum notice period of 21 days, which is the minimum permitted under Irish law.

The only matters which must, as a matter of Irish company law, be transacted at an annual general meeting are the presentation of the annual accounts, balance sheet and reports of the directors and auditors, the appointment of new auditors and the fixing of the auditor s remuneration (or delegation of same). If no resolution is made in respect of the reappointment of an existing auditor at an annual general meeting, the existing auditor will be deemed to have continued in office.

Extraordinary General Meetings of Shareholders

Extraordinary general meetings of New Medtronic may be convened by (i) the board of directors, (ii) any two directors, (iii) the chief executive officer, (iv) the chief financial officer, (v) on requisition of the shareholders holding not less than 10% of the paid up share capital of New Medtronic carrying voting rights or (vi) on requisition of New Medtronic s auditors. Extraordinary general meetings are generally held for the purposes of approving shareholder resolutions as may be required from time to time. At any extraordinary general meeting, only such business will be conducted as is set forth in the notice thereof or is proposed pursuant to and in accordance with the procedures and requirements set out in the articles of association.

Notice of an extraordinary general meeting must be given to all New Medtronic shareholders and to the auditors of New Medtronic. Under Irish law and New Medtronic s articles of association, the minimum notice periods are 21 days notice in writing for an extraordinary general meeting to approve a special resolution and 14 days notice in writing for any other extraordinary general meeting.

In the case of an extraordinary general meeting convened by shareholders of New Medtronic, the proposed purpose of the meeting must be set out in the requisition notice. Upon receipt of any such valid requisition notice, the New Medtronic board of directors has 21 days to convene a meeting of New Medtronic shareholders to vote on the matters set out in the requisition notice. This meeting must be held within two months of the receipt of the requisition notice. If the board of directors does not convene the meeting within such 21-day period, the requisitioning shareholders, or any of them representing more than one half of the total voting rights of all of them, may themselves convene a meeting, which meeting must be held within three months of New Medtronic s receipt of the requisition notice.

If the board of directors becomes aware that the net assets of New Medtronic are not greater than half of the amount of New Medtronic s called-up share capital, the directors of New Medtronic must convene an extraordinary general meeting of New Medtronic shareholders not later than 28 days from the date that they learn of this fact to consider how to address the situation.

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Quorum for General Meetings

The articles of association of New Medtronic provide that no business may be transacted at any general meeting unless a quorum is present. One or more shareholders present in person or by proxy at any meeting of shareholders holding not less than a majority of the issued and outstanding shares entitled to vote at the meeting in question will constitute a quorum for such meeting.

Voting

New Medtronic s articles of association provide that all votes will be decided on a poll and that the board or the chairman may determine the manner in which the poll is to be taken and the manner in which the votes are to be counted.

Every shareholder is entitled to one vote for each ordinary share that he or she holds as of the record date for the meeting. Voting rights may be exercised by shareholders registered in New Medtronic s share register as of the record date for the meeting or by a duly appointed proxy, which proxy need not be a shareholder. Where interests in shares are held by a nominee trust company, this company may exercise the rights of the beneficial holders on their behalf as their proxy. All proxies must be appointed in the manner prescribed by New Medtronic articles of association, which provide that the New Medtronic board may permit shareholders to notify New Medtronic of their proxy appointments electronically.

In accordance with the articles of association of New Medtronic, the directors of New Medtronic may from time to time authorize New Medtronic to issue preferred shares. These preferred shares may have such voting rights as may be specified in the terms of such preferred shares (e.g., they may carry more votes per share than ordinary shares). Treasury shares or shares of New Medtronic that are held by subsidiaries of New Medtronic will not be entitled to be voted at general meetings of shareholders.

Irish company law requires special resolutions of the shareholders at a general meeting to approve certain matters. Examples of matters requiring special resolutions include:

(a) amending the objects or memorandum of association of New Medtronic;

(b) amending the articles of association of New Medtronic;

(c) approving a change of name of New Medtronic;

(d) authorizing the entering into of a guarantee or provision of security in connection with a loan, quasi-loan or credit transaction to a director or connected person;

(e) opting out of preemption rights on the issuance of new shares;

(f) re-registration of New Medtronic from a public limited company to a private company;

(g) purchase of own shares off-market;

(h) reduction of issued share capital;

(i) sanctioning a compromise/scheme of arrangement;

(j) resolving that New Medtronic be wound up by the Irish courts;

(k) resolving in favor of a shareholders voluntary winding-up;

(l) re-designation of shares into different share classes; and

(m) setting the re-issue price of treasury shares.

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Variation of Rights Attaching to a Class or Series of Shares

Under the New Medtronic articles of association and the Companies Acts, any v