

## Appendix I

### Report of Deloitte & Touche (Ireland) on Covidien Profit Forecast

The Board of Directors  
Covidien plc  
20 Lower Hatch Street  
Dublin 2  
Ireland

Goldman Sachs International  
Peterborough Court  
133 Fleet Street  
London  
EC4A 2BB

20 November 2014

Dear Sirs

#### Covidien plc (the "Company")

We report on the profit forecast comprising the statements made by the Company in respect of: (i) the forecast growth in sales; (ii) operating margins; (iii) tax rate; and (iv) diluted shares outstanding of the Company and its subsidiaries (together the "Group") for the 12 months ending 26 September 2014 (the "Profit Forecast")<sup>1</sup>. The Profit Forecast, and the material assumptions upon which it is based, are set out in the Covidien Profit Forecast document to be issued by the Company in which this report is included (the "Document"). This report is required by in accordance with the requirements of Rule 28.3(a) of the Irish Takeover Panel Act 1997, Takeover Rules, 2013 (as amended) (the "Takeover Rules") and is given for the purpose of complying with that rule and for no other purpose.

#### Responsibilities

It is the responsibility of the directors of the Company (the "Directors") to prepare the Profit Forecast in accordance with the requirements of the Takeover Rules.

It is our responsibility to form an opinion as required by the Takeover Rules as to the proper compilation of the Profit Forecast and to report that opinion to you.

Save for any responsibility which we may have to those persons to whom this report is expressly addressed or to the shareholders of the Company as a result of the inclusion of this report in the Offer Document, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report.

## Audit · Tax · Consulting · Corporate Finance

|                |              |                  |             |              |             |               |
|----------------|--------------|------------------|-------------|--------------|-------------|---------------|
| P.J. Barton    | M. Hartwell  | D. Murray        | P. Brennan  | D. O'Donovan | D. Carson   | T. Kavanagh   |
| K. Butler      | R. Howard    | R.J. Nolan       | P. Burger   | J. O'Flynn   | D. Dalton   | D. Kinsella   |
| T.M. Cassin    | B. Jackson   | C. O'Brien       | D.J. Butler | D. Power     | J. Duddy    | D. Lehane     |
| G. Casey       | M. Larkin    | B. O'Callaghan   | P. Cronin   | M. Sheehan   | K. Fennell  | S. Mohan      |
| G. Fitzpatrick | G. Lyons     | E. O'Shaughnessy | P. Cullen   | J. Whelan    | A. Flanagan | S. Murphy     |
| B. Forrester   | J. McCarroll | K. Sheehan       | N. Glynn    | P. Whelan    | M. Flynn    | D. O'Flanagan |
| M.E. Fulton    | E. McCarthy  | C. Treacy        | L. Griffin  |              | H. Goddard  | M. Reilly     |
| G. Gillard     | C. McDonnell | N.A. Walsh       | C. Hynes    |              | D.F. Hearn  | D. Van Dessel |
|                | C. MacManus  |                  | J. O'Connor |              | C.P. Hughes |               |
|                | H. Moore     |                  |             |              |             |               |

B. Jennings



## **Basis of Preparation of the Profit Forecast**

The Profit Forecast has been prepared on the basis stated in the Document and is based on the interim unaudited accounts for the six months ended 28 March 2014 and a forecast for the six months ending 26 September 2014 adjusted for certain material one-time items as discussed in Note 1 in the Document. It also assumed that the proposed acquisition of Covidien by Medtronic, Inc. would not be completed before 26 September 2014 and excludes any costs related to the completion of the acquisition. The Profit Forecast is required to be presented on a basis consistent with the accounting policies of the Covidien Group.

## **Basis of opinion**

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom and published by the Institute of Chartered Accountants in Ireland. Our work included evaluating the basis on which the historical financial information included in the Profit Forecast has been prepared and considering whether the Profit Forecast has been accurately computed based upon the disclosed assumptions and the accounting policies of the Group. Whilst the assumptions upon which the Profit Forecast are based are solely the responsibility of the Directors, we considered whether anything came to our attention to indicate that any of the assumptions adopted by the Directors which, in our opinion, are necessary for a proper understanding of the Profit Forecast have not been disclosed or if any material assumption made by the Directors appears to us to be unrealistic.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the Profit Forecast has been properly compiled on the basis stated.

Since the Profit Forecast and the assumptions on which it is based may relate to the future or unfinalised data and may therefore be affected by unforeseen events, we can express no opinion as to whether the actual results reported will correspond to those shown in the Profit Forecast and differences may be material.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in jurisdictions outside Ireland, including the United States of America, and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

## **Opinion**

In our opinion, the Profit Forecast has been properly compiled on the basis stated and the basis of accounting used is consistent with the accounting policies of the Group.

Yours faithfully



Deloitte & Touche  
Chartered Accountants

Note 1: Operating margins and the effective tax rate are considered non-GAAP financial measures, which have been adjusted for certain items that can be highly variable or difficult to predict. These items include net charges associated with acquisitions; net gain on divestiture; net restructuring and related charges; certain legal and environmental charges, impairments and other charges associated with certain product discontinuances, and certain one-time tax adjustments.