



COVIDIEN

Acquisition of Given Imaging Ltd.

December 8, 2013

Forward-Looking Statements

Any statements contained in this presentation that do not describe historical facts may constitute forward-looking statements as that term is defined in the Private Securities Litigation Reform Act of 1995. Any forward-looking statements contained herein are based on our management's current beliefs and expectations, but are subject to a number of risks, uncertainties and changes in circumstances, which may cause actual results or Covidien actions to differ materially from what is expressed or implied by these statements. The factors that could cause actual future results to differ materially from current expectations include, but are not limited to, the possibility that the transaction may not close on schedule or at all; the risk of competing offers; the possibility that various closing conditions for the transaction may not be satisfied or waived, including that a governmental entity may prohibit, delay or refuse to grant approval for the consummation of the transaction; the ability to successfully integrate Given's operations with Covidien's and the time and resources required to do so; the uncertainties inherent in commercial, research and development activities; competitive developments and other risks and uncertainties described in more detail in Covidien's Annual Report on Form 10-K for the fiscal year ended September 27, 2013, Covidien's subsequent filings with the SEC and Given's filings with the SEC. We disclaim any obligation to update these forward-looking statements other than as required by law.

Acquisition of Given Imaging Ltd.

A World Leader in Comprehensive GI Diagnostics



Given Imaging Overview

- Business:** Leading provider of a broad suite of minimally invasive gastrointestinal (GI) diagnostic solutions
- Lead Product:** PillCam[®] (pill camera): the most widely used, patient-friendly diagnostic tool that allows the physician to directly visualize the small bowel to detect and monitor abnormalities. Used in over two million procedures to date
- Ownership:** Publicly-traded (NASDAQ and TASE: GIVN)
- Go-to-Market:** Direct sales and marketing in nine countries; products available in more than 75 countries
- Employees:** ~ 800

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Strategic Rationale

- **Consistent with our strategy to expand into adjacencies and add technologies that support our overall goal to comprehensively address key global specialties and procedures**
- **Advances Covidien as broad GI player**
 - Provides scale
 - Expands Covidien into GI diagnostics
 - Adds seven product lines across 21 GI disease states
 - Capitalizes on GI stakeholder relationships
- **Global synergies**
 - Platform capitalizes on Covidien global footprint
 - Given has ~ 200 field reps

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Key Deal Terms

- **\$30.00 per share all cash offer**
- **Approximately \$860 million (net of cash and investments acquired)**
- **Financed with cash on hand**
- **Closing expected by March 31, 2014**

Financial Overview



- **The combination of Covidien with Given is expected to enhance our operating profile in the next several years**
 - Covidien expects Given will add between \$40 million and \$50 million per quarter in incremental revenue to the Medical Devices segment
 - Accretive to both operating margin and EPS beginning in fiscal 2015
 - Transaction expected to be immediately accretive to cash earnings¹
 - Attractive geographic expansion opportunities to drive future growth
 - **Committed to maintaining our current strong investment grade rating while retaining balance sheet flexibility**
 - Expect to manage our cash balance in the \$1 billion to \$2 billion range
 - Continue targeting return of at least 50% of free cash flow² to shareholders through dividends and share repurchases
 - Balance sheet remains strong after completing acquisition
1. Excludes one-time costs and deal related amortization
2. Free cash flow = net cash flow provided by operating activities minus capital expenditures

Covidien Enhances Given's Growth



- **Covidien expects to accelerate Given growth over time**
 - Gain support from Covidien's clinical, regulatory and healthcare economics functions to develop additional clinical evidence and expand reimbursement
 - Expand sales and marketing reach globally; capitalize on Covidien sales and marketing infrastructure
 - Apply strong market development competencies
- **Covidien intends to accelerate investments to drive further expansion**
 - Continue investment in relevant technologies
 - Development of additional clinical applications and products

PillCam Overview



PillCam Small-Bowel –
Obscure GI Bleeding,
Crohn's



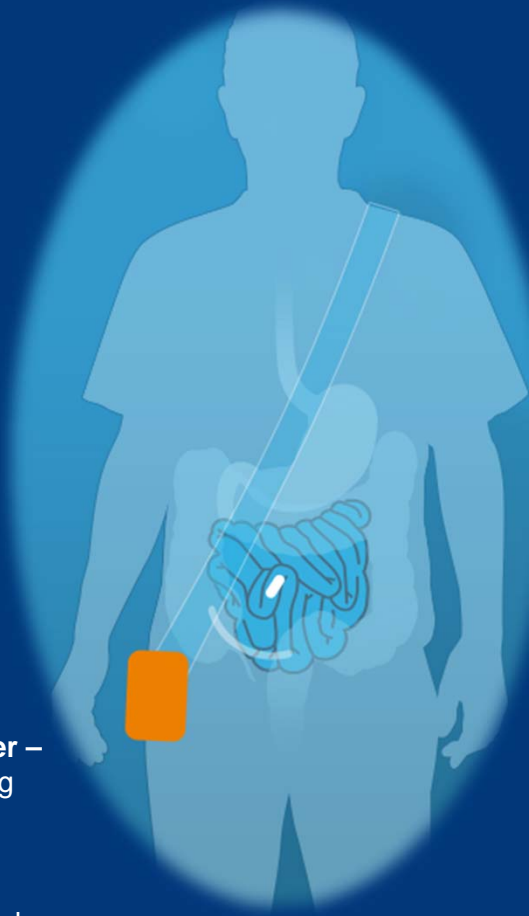
PillCam Recorder –
Small portable device
communicates with the
capsule

PillCam Sensor Belt –
Belt worn around patient
to hold recorder



RAPID Real-Time Viewer –
Handheld device enabling
real-time viewing

RAPID Software –
Reads images from recorder



What is PillCam Endoscopy?

- An ingestible capsule the size of a large vitamin
- It is equipped with a miniature video camera inside that is designed to capture color images from inside the body
- As it moves through the GI tract it wirelessly transmits the images through sensor arrays
- The images are stored in a data recorder attached to the patient's waist
- At the completion of the procedure the data recorder is connected to a workstation
- Proprietary software enables physicians to review the images and aids them in making a diagnosis based on the findings
- The PillCam is passed naturally through the body and does NOT need to be retrieved from stool
- Procedure can be done in a hospital, clinic or office setting

Attractive Market Opportunity



~ \$3 Billion WW Market

Current

- **Global leader in capsule endoscopy; 2 million procedures since launch**
- **2012 annual revenues \$180 million**
 - Capsule endoscopy - small bowel & esophagus ~ \$120 million
 - Diagnostic manometry ~ \$ 35 million
 - GERD monitoring ~ \$ 20 million

Opportunity³

- **Small Bowel¹** ~ **\$1.4 billion**
- **Colon^{1,2}** ~ **\$1.7 billion**
- **Total Addressable Market per year** ~ **\$3.0 billion**

1. Current served market plus potential additional indications
2. Japan commercialization in 2014. Pending approval in U.S.
3. Management estimates

A Winning Combination



- **Given has good momentum**
 - A global industry leader in minimally invasive GI diagnostics
 - Ongoing clinical trials
 - Strong IP position
 - Recurring and diversified revenue stream with razor/razor-blade economics
 - Proven technology with strong brand recognition
- **Augmented by Covidien capabilities**
 - Expand clinical evidence and reimbursement with support from Covidien's clinical, regulatory and healthcare economics functions
 - Apply strong market development competencies
 - Extend reach through broader and deeper global presence
 - Able to invest in high-growth emerging markets (indications, product developments)



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