



COVIDIEN

Acquisition of Oridion Systems Ltd.

April 5, 2012

Forward-Looking Statements

This presentation contains certain “forward-looking statements” that are not historical facts. These statements are based on management’s current expectations and are subject to risks, uncertainty and changes in circumstances, which may cause actual results to differ materially from anticipated results. All statements contained herein that are not clearly historical in nature are forward-looking and the words “anticipate,” “believe,” “expect,” “estimate,” “plan,” and similar expressions are generally intended to identify forward-looking statements.

The forward-looking statements in this presentation may include statements addressing the following subjects: the expected timing of the completion of the transaction, the effect of the transaction on Covidien’s business and competitive position, future innovation and market growth, Covidien’s future financial performance, financial condition and operating results, and economic, business, competitive and/or regulatory factors affecting our business. Any of the following factors may affect our future results:

- Uncertainties as to the timing of the transaction
- The risk that competing offers will be made
- 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 effects of disruption from the transaction making it more difficult to maintain relationships with employees, customers, vendors and other business partners
- The risk that stockholder litigation in connection with the transaction may result in significant costs of defense, indemnification and liability

Forward-Looking Statements (con't)

- Other business effects, including the effects of industry, economic or political conditions outside of Covidien's and Oridion Systems' control
- Transaction costs

and other risks and uncertainties discussed in Covidien's filings with the U.S. Securities and Exchange Commission, including the "Risk Factors" sections of Covidien's most recent annual report on Form 10-K and subsequent quarterly reports on Form 10-Q. In addition, our historical combined financial information prior to June 29, 2007, is not necessarily representative of the results we would have achieved as an independent, publicly-traded company and may not be a reliable indicator of our future results. Neither Covidien nor Oridion Systems Ltd. undertakes any obligation to update any forward-looking statements as a result of new information, future developments or otherwise, except as expressly required by law. All forward-looking statements in this announcement are qualified in their entirety by this cautionary statement.

Non-GAAP Financial Information

This presentation refers to free cash flow, a non-GAAP financial measure. Covidien defines free cash flow as net cash provided by continuing operating activities excluding class action and shareholder settlements minus capital expenditures. Non-GAAP financial measures should be considered in addition to, not as a substitute for, or superior to, measures of Covidien's financial performance prepared in accordance with GAAP. Other companies may define free cash flow differently; accordingly, care should be exercised in understanding how Covidien defines free cash flow.

This non-GAAP financial measure is also used by Covidien's management in their financial and operating decision-making because management believes it reflects the underlying economics of Covidien's ongoing business in a manner that allows meaningful period-to-period comparisons. Such comparisons may be more meaningful because operating results presented under GAAP may include, from time to time, items that are not necessarily relevant to understand Covidien's business and may, in some cases, be difficult to forecast accurately for future periods. Covidien's management believes that this non-GAAP financial measure provides useful information to investors and others in understanding and evaluating Covidien's current operating performance and future prospects in the same manner as management does if they so choose. Non-GAAP financial measures have limitations, however, because they do not include all items of income and expense that affect Covidien's operations. Covidien's management compensates for this and other limitations by also considering Covidien's financial results as determined in accordance with GAAP.



Acquisition of Oridion Systems Ltd.

Oridion Systems Overview

- Business:** Israeli-based medical device company, founded in 1987, specializing in patient monitoring with a focus on etCO₂ (end-tidal capnography) in the hospital & pre-hospital markets
- Core Platform:** Microstream[®] etCO₂ monitoring system provides higher precision, better portability, price advantages and greater patient flexibility with smaller breath samples relative to other technologies
- Ownership:** Publicly traded on the Swiss exchange (SIX ticker: ORIDN)
- Go-to-Market:** Dual-channel strategy through OEM agreements and global distribution network, which includes Covidien
- 2011 Sales:** \$64.5 million (70% to customers in North America; 21% to customers in Europe). Consumables represented approximately 55% of sales.
- Employees:** Approximately 180



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Strategic Rationale

- etCO₂ is a complementary indicator of ventilation status; hospital clinicians and administrators are relying on monitoring technology like capnography to improve patient monitoring on post-operative floors.
- Modules, monitors and consumables similar to current Covidien product offerings (Nellcor, INVOS and BIS)
 - Ability to offer complete portfolio of respiratory function solutions
 - etCO₂ and pulse oximetry are highly complementary
- Similar to other monitoring technologies, consumable sensors drive revenue growth and margins
- Familiar technology for the Covidien sales force



Acquisition of Oridion Systems Ltd.

Key Deal Terms

- \$23.00 per share all cash offer
- Approximately \$300 million upfront consideration (net of cash acquired)
- Financed with cash on hand
- Closing expected by June 30, 2012
- Covidien does not expect this transaction to have a material impact on its fiscal 2012 sales, operating margin or earnings per share

Financial Overview



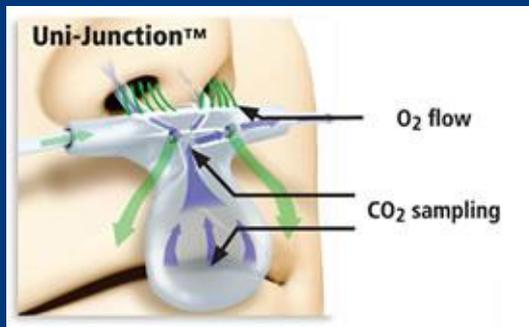
- **The combination of Covidien and Oridion Systems is expected to enhance our operating profile in the next several years**
 - Accretive to revenue growth and operating margins
 - Attractive products with market expansion opportunities to drive future growth
- **Expected financial impact**
 - Neutral on a cash basis¹ in the first full year post close
- **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 returns of 25% to 40% of free cash flow to shareholders *every year* through dividends and share repurchases
 - Balance sheet remains strong after concluding transaction

1. Excluding one-time costs and deal-related amortization

Microstream[®] Capnography Background



- Microstream[®] capnography:
 - Quantifies and characterizes etCO₂ in a patient's exhaled breath
 - Is a key parameter used to assess ventilation and a leading indicator of respiratory distress or impairment
 - Complements pulse oximetry in the respiratory function portfolio



- Product lines:
 - Monitors
 - Breath sampling lines
 - OEM modules
- Complete product range for all patient sizes (newborns, children, adults)

Oridion Systems Product Line



Monitors



Capnostream 20
etCO₂ portable



Microcap
Portable etCO₂



Microcap Plus
Portable etCO₂

etCO₂ Breath Sampling Lines



OEM Modules



Critical Success Factors



- **Oridion is well positioned**

- Market leadership in fast-growing capnography market:
- Hardware with Microstream[®] CO₂ measuring technology
- Wide range of consumables for every patient environment and most patient needs
- Algorithm-based systems simplifying information-based decision making
- Portfolio of monitoring technologies complements existing product line

- **Augmented by Covidien capabilities**

- Leverage global sales and marketing infrastructure
- Provide infrastructure support to capitalize on capnography OEM market growth potential
- R&D focused on creating innovative solutions to improve patient care and outcomes



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