

Covidien plc  
Form 425  
August 11, 2014

Covidien Acquisition  
Information Session  
August 11, 2014  
Omar Ishrak  
Gary Ellis

Edgar Filing: Covidien plc - Form 425

Chairman and CEO  
EVP and Chief Financial Officer  
Medtronic, Inc.  
Medtronic, Inc.

Filed by Medtronic, Inc. (SEC File No.: 001-07707)  
pursuant to Rule 425 under the Securities Act of 1933  
and deemed filed pursuant to Rule 14a-12  
under the Securities Exchange Act of 1934

Subject Company: Covidien plc  
Form S-4 File No.: 333-197406

Date: August 11, 2014

Medtronic to Acquire Covidien  
Creates the premier global medical technology and services  
company with unmatched breadth and patient reach

Fulfilling Unmet Medical Needs

The Medtronic Mission: A Shared Sense  
of Purpose

To contribute to human welfare alleviate pain,  
restore health, and extend life

To direct our growth in the areas of maximum  
strength and ability to continuously build on these  
areas through education and knowledge

To strive without reserve for the greatest reliability  
and quality  
to be recognized as a company of  
dedication, honesty, integrity, and service  
To make a fair profit  
To recognize the personal worth of employees  
To  
maintain  
good  
citizenship  
as  
a  
company.

Changing Global Healthcare Environment  
Increasing Burden of  
Chronic Disease  
Aging of the Population  
Broader Base of  
Stakeholders  
Rising Cost Pressures

Priority of Healthcare in  
Emerging Markets



Improve Clinical  
Outcomes  
Expand Access  
Optimize Cost  
and Efficiency  
Universal Healthcare Needs

Therapy Innovation:  
Delivering strong  
launch cadence of meaningful therapies  
and procedures  
Globalization:  
Addressing the inequities  
in healthcare access globally

Economic Value:  
Becoming a leader  
in value-based healthcare by incorporating  
EV into our DNA  
&  
Uniquely positioned to expand our industry-  
leading franchises through our three  
differentiated strategies:  
A Strong Strategic Fit

Three Key Benefits for Medtronic and Covidien  
Therapy Innovation  
Therapy  
Innovation

1.  
Strengthen and enhance Peripheral Vascular  
and Neuroscience portfolios

2.

Leverage adjacencies in Medtronic Surgical Technologies and Covidien Surgical Solutions

3. Accelerate adoption of early stage Covidien therapies

Combined Company Immediately Accelerates  
Ability to Expand Global Access  
countries  
150  
+  
locations  
300

+  
combined  
EM revenue  
\$3.7B

Broader presence facilitates more rapid expansion  
Covidien products such as surgical tools and capital  
equipment are adopted earlier in hospitals, becoming  
a base for Medtronic chronic disease therapies  
Combined R&D and manufacturing breadth globally  
enables broader government partnerships

Cath Lab Managed Services  
(Europe)  
Cardiac & Vascular  
Line Administrator (U.S.)  
General Surgery  
Line Administrator (U.S.)  
General Surgery Managed



Services (Europe)

Opportunities to Become Robust Unmatched

Integrated Health Solutions Partner

Economic Value

Value primarily realized in

post-acute settings

Cardiocom

Value primarily realized in

hospital efficiencies

Covidien Sensors

Combination Results in Strategic Diversification  
Surgical  
Solutions  
Respiratory &  
Patient Care

Diagnostics and Solutions  
Peripheral vascular disease

Arterial

Venous insufficiency

Deep vein thrombosis

End stage renal disease

Aortic aneurysms

Further Expanding Our Comprehensive Portfolio

Diabetes

Neurological

Spinal and orthopedic

Ear, nose and throat

Structural heart

Endovascular

Coronary

Cardiac rhythm

Severe spasticity

Parkinson's disease

Essential tremor

Dystonia\*

Hydrocephalus

Obsessive-compulsive  
disorder\*

Brain tumors and lesions

Chronic pain

Subdural hematomas

Cranial trauma

Cervical degenerative disc disease

Scoliosis

Degenerative disc disease

Spinal fracture

Lumbar spinal stenosis

Tibial fractures

Orthopedic trauma

Sinus diseases

Thyroid conditions

Otologic disorders

Sleep-disordered breathing

Pediatric conditions

Ménière's disease

Heart valve disease

Congenital heart disease

Overactive bladder and urinary retention

Nausea and vomiting associated with gastroparesis\*

Fecal incontinence

Atrial fibrillation

Slow heart rates

(bradycardia)

Fast heart rates

(tachycardia)

Heart failure

Asymptomatic

heart rates

Cardio-Pulmonary  
Urological, urogynecological and gastroenterological  
Acute ischemic stroke  
Brain aneurysm  
Vascular embolization  
Thyroidectomy  
Airway access  
Interventional GI  
Cholecystectomy  
Appendectomy  
Barrett's esophagus  
Capsule endoscopy  
Bariatric bypass and sleeves  
Colon resection  
Hemorrhoidectomy  
Nutrition delivery  
Hysterectomy  
Fibroids  
Salpingo-oophorectomy (sterilization)  
CO2 and Respiration  
Consciousness  
Oximetry (pulse and bi-spectral)  
Skin integrity  
Patient & caregiver safety  
\* Humanitarian  
device  
in  
the  
United  
States

the  
effectiveness  
for  
this  
use  
has  
not been demonstrated  
Coronary artery disease  
Interventional lung  
Lobectomy/resection  
Mechanical ventilation

Shareholder Benefits

Acquisition of Covidien for \$42.9 billion in cash (\$16.1 billion) and  
Medtronic stock (\$26.8 billion based on Medtronic's closing stock price  
on  
June  
13,  
2014,

the  
last  
trading  
day  
prior  
to  
the  
announcement  
of  
the  
acquisition)

Covidien shareholders to own ~30% of the combined company at closing

Cash consideration to be funded by ~\$3 billion in new debt and ~\$13 billion in cash and investments

Medtronic to assume ~\$5 billion of Covidien debt

Represents per share consideration for Covidien shareholders of:

\$35.19 in cash and 0.956 shares of new Medtronic shares

Offer represents a 29% premium to Covidien's last closing share price on June 13, 2014

Covidien Transaction Summary

Transaction

Transaction

Terms

Terms

Transaction

Transaction

Structure

Structure

Formation of newly domiciled Irish entity; current headquarter operations remain intact in Minnesota

Transaction taxable, for U.S. federal income tax purposes, to Medtronic and Covidien shareholders

Timing

Timing

Closing expected in fourth calendar quarter of 2014 or early 2015

Subject to regulatory approvals

Subject to Medtronic and Covidien shareholder approvals



Key Facts: Taxable Transaction

Upon the Closing Date, each outstanding Medtronic, Inc. common share will be cancelled and

automatically  
converted  
into  
one  
Medtronic  
plc  
ordinary share

For U.S. shareholders that hold Medtronic, Inc. shares on the Closing Date, this will be considered a taxable transaction and they will generally recognize a taxable capital gain or loss

All Medtronic shareholders, including Medtronic directors and officers who own shares, are subject to tax on the exchange of their Medtronic, Inc. shares for Medtronic plc ordinary shares. Medtronic is not providing any payments to directors or officers to cover this tax

This type of structure was the only available structure that provides Medtronic access to cash at Covidien without incurring an additional tax to invest that cash in the U.S.

We encourage shareholders to contact their tax and financial advisors for personal advice

Special Excise Tax is an Additional Tax  
All Medtronic  
shareholders, including  
Medtronic directors and  
officers who own shares,  
are subject to tax on the  
exchange of their

Medtronic, Inc. shares  
for Medtronic plc  
ordinary shares.

Medtronic is **not**  
providing any payments  
to directors or officers to  
cover this tax.

Special Excise Tax

This excise tax is **in addition** to the tax on the  
exchange of shares and is **not applicable to any**  
other

employees

or

retirees

of

the

company.

It

is

a

tax applicable only to Section 16b officers of  
Medtronic as well as members of the Board of  
Directors.

Because this excise tax is **separate and incremental**

to

the

tax

on

the

exchange

of

shares

that

applies

for all shareholders, including directors and officers  
of the company, Medtronic will assist directors and  
officers using a tax "gross-up."

This will result in those shareholders being in the  
same tax position

as all other shareholders.

Shareholder Tax on

the Transaction

Key Facts: Federal, State and Local Tax Position

The current U.S. tax code limits our ability to invest foreign earnings back into clinical research, product development and high-paying U.S. jobs

The proposed Covidien acquisition adheres to U.S. and International tax

laws

Medtronic will continue to pay taxes in all jurisdictions where revenues are realized

Medtronic will also continue to be subject to all U.S. tax laws:

Federal  
35%  
tax  
rate

State  
up  
to  
12%  
depending  
on  
each  
state's  
corporate  
tax  
rate

Local  
up  
to  
9.25%  
depending  
on  
the  
facility  
and  
employee  
location

Medtronic commits additional \$10B of incremental technology investments in U.S. over next 10 years  
Acquisition and Venture  
Investments: \$8.3B+  
invested in 80+ U.S.-  
based companies\*  
\$8.3B+

Clinical research:  
\$450M invested annually  
in clinical trials and  
studies  
(~76% in the U.S.)  
\$450M  
R&D: \$11B+  
invested in the  
U.S.\*  
\$11B+  
\*Over last 10 years  
Continued Focus on Innovation Leadership



Combined Impact

Transforming Healthcare Around the World  
to Improve More Lives  
Every  
3  
seconds  
Together:  
\$27 Billion Healthcare Leader

87,000+ Employees  
Life-Changing Impact for Millions  
of Patients

Q&A

Disclaimers

NO OFFER OR SOLICITATION

IMPORTANT ADDITIONAL INFORMATION WILL BE FILED WITH THE SEC

New Medtronic has filed with the Securities and Exchange Commission (the SEC) a registration statement on Form S-4 that includes a Statement of Medtronic and Covidien that also constitutes a preliminary Prospectus of New Medtronic. The registration statement may be further amended.

Medtronic  
and  
Covidien  
plan  
to  
mail  
to  
their  
respective  
shareholders  
the  
final  
Joint  
Proxy  
Statement/Prospectus  
(including  
the  
Scheme)  
in  
connection  
with  
the  
transactions.

INVESTORS

AND

SHAREHOLDERS

ARE

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PRELIMINARY

JOINT

PROXY

STATEMENT/PROSPECTUS

(INCLUDING

THE SCHEME) AND OTHER RELEVANT DOCUMENTS FILED OR TO BE FILED WITH THE SEC CAREFULLY WH

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CONTAIN

IMPORTANT

INFORMATION

ABOUT

MEDTRONIC,

COVIDIEN,

NEW

MEDTRONIC,

THE

TRANSACTIONS

AND

RELATED  
MATTERS.

Investors  
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free  
copies

of  
the

preliminary

Joint

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Statement/Prospectus

(including

the

Scheme)

and

other

documents

filed with the SEC by New Medtronic, Medtronic and Covidien through the website maintained by the SEC at [www.sec.gov](http://www.sec.gov). I

shareholders

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Joint

Proxy

Statement/Prospectus

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Scheme)

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other

documents

filed

by

Medtronic

and New Medtronic with the SEC by contacting Medtronic Investor Relations at [investor.relations@medtronic.com](mailto:investor.relations@medtronic.com) or by calling

to obtain free copies of the preliminary Joint Proxy Statement/Prospectus (including the Scheme) and other documents filed by

Investor Relations at [investor.relations@covidien.com](mailto:investor.relations@covidien.com) or by calling 508-452-4650.

This communication is not intended to and does not constitute an offer to sell or the solicitation of an offer to subscribe for or to buy or subscribe for any securities or the solicitation of any vote or approval in any jurisdiction pursuant to the acquisition, the merger, or any sale, issuance or transfer of securities in any jurisdiction in contravention of applicable law. No offer of securities shall be made without a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended.



Disclaimers (cont d)

**PARTICIPANTS IN THE SOLICITATION**

Medtronic, New Medtronic and Covidien and certain of their respective directors and executive officers and employees may be solicitation of proxies from the respective shareholders of Medtronic and Covidien in respect of the transactions contemplated Statement/Prospectus.

Information  
regarding

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persons  
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SEC,  
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solicitation  
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shareholders of Medtronic and Covidien in connection with the proposed transactions, including a description of their direct or indirect holdings or otherwise, will be set forth in the final Joint Proxy Statement/Prospectus when it is filed with the SEC. Information regarding directors and executive officers is contained in Medtronic's Annual Report on Form 10-K for the fiscal year ended April 25, 2014 and its Proxy Statement on Schedule 14A, dated July 11, 2014, which are filed with the SEC. Information regarding Covidien's directors and executive officers is contained in Covidien's Annual Report on Form 10-K for the fiscal year ended September 27, 2013 and its Proxy Statement on Schedule 14A, dated January 24, 2014, which are filed with the SEC.



could,  
should,  
estimate,  
expect,  
forecast,  
outlook,  
guidance,  
intend,  
may,  
might,  
will,  
possible,  
potential,  
predict,  
project,

or other similar words, phrases or expressions. It is important to note that these goals and expectations are not predictions of actual results. Actual results may differ materially from current expectations depending upon a number of factors affecting New Medtronic's Covidien's business and risks associated with the proposed transactions. These factors include, among others, the inherent uncertainties in financial projections; restructuring in connection with, and successful close of, the Covidien acquisition; subsequent integration of the Covidien business with Medtronic's business;

to recognize the anticipated synergies and benefits of the Covidien acquisition; the risk that the required regulatory approvals for the proposed transactions are

not obtained, are delayed or are subject to conditions that are not anticipated; the anticipated size of the markets and continued demand for Covidien's products; the impact of competitive products and pricing; access to available financing (including financing for the acquisition of Medtronic or Covidien debt) on a timely basis and on reasonable terms; the risks of fluctuations in foreign currency exchange rates; and other risks normally incident to the medical device industry, including competition in the medical device industry; product liability claims and litigation;

or the outcome of

pending  
or  
future  
litigation  
or  
government  
investigations;  
variability  
of  
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patterns;  
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timing  
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success  
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product  
launches;  
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difficulty  
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product  
development  
efforts  
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regulatory  
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if  
any;  
potential  
for  
adverse pricing  
movement; costs and efforts to defend or enforce intellectual property rights; difficulties or delays in manufacturing; reduction  
quality problems; the availability and pricing of third-party sourced products and materials; risks associated with self-insurance  
successful compliance with governmental regulations applicable to New Medtronic s, Medtronic's and Covidien's facilities, pr  
businesses;  
changes  
in  
the  
laws

and  
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affecting  
among  
other  
things,  
pricing  
and  
reimbursement  
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pharmaceutical  
products;  
health  
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policy  
changes;  
risks  
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operations;  
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tax  
laws  
or  
interpretations  
that  
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increase  
New  
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Medtronic's  
and/or  
Covidien's  
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New  
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management  
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staff;  
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other  
risks  
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uncertainties

detailed in Medtronic's periodic public filings with the SEC, including but not limited to Medtronic's Annual Report on Form 10-K for the year ended December 31, 2014, in Covidien's periodic public filings with the SEC, including but not limited to Covidien's Annual Report on Form 10-K for the year ended September 27, 2013, and from time to time in Medtronic's and Covidien's other investor communications. Except as expressly stated otherwise, Medtronic and Covidien disclaims any intent or obligation to update or revise these forward-looking statements.

**Statement Required by the Irish Takeover Rules**

The directors of Medtronic accept responsibility for the information contained in this document. To the best of the knowledge of the directors, the information contained in this document is true and correct and Medtronic

(who  
have  
taken  
all  
reasonable  
care  
to  
ensure  
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is  
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the  
information  
contained  
in  
this  
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is  
in  
accordance  
with  
the  
facts  
and  
does not omit anything likely to affect the import of such information.