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Medtronic to Acquire Covidien for \$42.9 billion in Cash and Stock

- **Creates a Medical Technology and Services Company with a Comprehensive Product Portfolio and Broad Global Reach that is Better Able to Improve Healthcare Outcomes**
- **Meaningfully Accelerates Medtronic's Core Strategies of Therapy Innovation, Globalization and Economic Value**
- **Combined Revenue of \$27 Billion, including \$3.7 Billion from Emerging Markets**
- **Transaction Expected to be Accretive to Medtronic Cash Earnings in FY2016 and Significantly Accretive thereafter**
- **Medtronic Commits to \$10 Billion in Additional U.S. Technology Investments Over 10 Years**

MINNEAPOLIS AND DUBLIN – June 15, 2014- Medtronic, Inc. (NYSE: MDT), a global leader in medical technology, services and solutions, and Covidien plc (NYSE: COV), a global healthcare technology and medical supplies provider, today announced that they have entered into a definitive agreement under which Medtronic has agreed to acquire Covidien in a cash-and-stock transaction valued at \$93.22 per Covidien share, or a total of approximately \$42.9 billion, based on Medtronic's closing stock price of \$60.70 per share on June 13, 2014.

Once the transaction is completed, Medtronic will have significantly advanced its position as the world's premier medical technology and services company. The combined company will have a comprehensive product portfolio, a diversified growth profile and broad geographic reach, with 87,000 employees in more than 150 countries. The Boards of Directors of both companies have unanimously approved the transaction.

"We are excited to reach this agreement with Covidien, which further advances our mission to alleviate pain, restore health and extend life for patients around the world," said Omar Ishrak, Chairman and Chief Executive Officer of Medtronic. "This acquisition will allow Medtronic to reach more patients, in more ways and in more places. Our expertise and portfolio of services will allow us to serve our customers more efficiently and better address the demands of the current healthcare marketplace. We also look forward to welcoming the Covidien team to Medtronic and working together to improve healthcare outcomes globally."

"Covidien and Medtronic, when combined, will provide patients, physicians and hospitals with a compelling portfolio of offerings that will help improve care and surgical performance," said José E. Almeida, Chairman, President and Chief Executive Officer of Covidien. "This transaction provides our shareholders with immediate value and the opportunity to participate in the significant upside potential of the combined organization. I'd like to thank our 38,000 employees whose hard work and dedication has enabled Covidien to deliver innovative health solutions that improve patient outcomes."

Strategic Rationale

The combination with Covidien supports and accelerates Medtronic's three fundamental strategies:

- **Therapy Innovation:** With its expanded portfolio of innovative products and services, Medtronic will be a preeminent leader in delivering therapy and procedural innovations to address the major disease states impacting patients and healthcare costs around the world. Covidien has an impressive portfolio of industry-leading products that enhance Medtronic's existing portfolio, offer greater breadth across clinical areas, or create exciting entry points into new therapies.
- **Globalization:** With a presence in more than 150 countries, the combined entity will be better able to serve global market needs. Medtronic and Covidien have combined revenues of \$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 will be able to offer to governments and major providers globally.
- **Economic Value:** Medtronic has adopted an intense focus on aligning with its customers to create more value in healthcare systems around the world – in various delivery and payment systems – by combining products, services and insights into solutions aimed at expanding access and reducing healthcare costs. With Covidien, Medtronic will 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. Both companies' deep relationships with healthcare system stakeholders will provide enormous ability to identify and create further value-based solutions.

U.S. Investment Commitment as a Result of Combination

The U.S. is home to the global medtech industry, one of the most innovative global industries centered in the U.S., and medical devices are among the most valuable U.S. exports. The combined company is strongly committed to the U.S. as a healthcare innovator, strategic business partner and employer of choice.

As a direct benefit of the company's new financial structure, Medtronic will commit to \$10 billion in technology investments over the next 10 years in areas such as early stage venture capital investments, acquisitions and R&D in the U.S., above and beyond Medtronic's and Covidien's existing plans.

"The medical technology industry is critical to the U.S. economy, and we will continue to invest and innovate and create well-paying jobs," said Mr. Ishrak. "Medtronic has consistently been the leading innovator and investor in U.S. medtech, and this combination will allow us to accelerate those investments. These investments ultimately produce new therapy and treatment options that improve or save lives for millions of people around the world."

Structure and Governance

After the completion of the transaction, the businesses of Medtronic and Covidien will be combined under a new entity to be called Medtronic plc. It will have its principal executive offices in Ireland, where Covidien's current headquarters resides and where both companies have a longstanding presence. Medtronic plc will be led by Mr. Ishrak, and will continue to have its operational headquarters in Minneapolis, where Medtronic currently employs more than 8,000 people.

Financial Highlights

Upon completion of the transaction, each outstanding ordinary share of Covidien will be converted into the right to receive \$35.19 in cash and 0.956 of an ordinary share of Medtronic plc. The per-share consideration represents a premium of 29% to Covidien's closing stock price on June 13, 2014, the last trading day prior to the announcement. Medtronic shareholders will exchange each share of stock they own in Medtronic for one ordinary share of stock in Medtronic plc. The transaction is expected to be taxable, for U.S. federal income tax purposes, to shareholders of both Medtronic and Covidien.

The proposed transaction represents compelling value to Covidien shareholders through the cash component and continued participation in the future growth prospects expected to result from the combination through their ownership of approximately 30% of the combined company.

The transaction is expected to be accretive to Medtronic's cash earnings in FY 2016, the first full fiscal year, and significantly accretive thereafter. The transaction is also expected to be accretive to GAAP earnings by FY 2018.¹

The combination is expected to result in at least \$850 million of annual pre-tax cost synergies by the end of fiscal year 2018. These synergies include the benefits of optimizing global back-office, manufacturing and supply-chain infrastructure, as well as the elimination of redundant public company costs. The estimate excludes any benefit from potential revenue synergies resulting from the combination of the two organizations.

Through this combination, Medtronic is expected to generate significant free cash flow, which it will be able to deploy with greater strategic flexibility, particularly in the U.S.

The consummation of the transaction is subject to certain conditions, including approvals by Medtronic and Covidien shareholders. In addition, the proposed transaction requires regulatory clearances in the U.S., the E.U., China and certain other countries. The transaction is expected to close in the fourth calendar quarter of 2014 or early 2015.

Medtronic's financial advisor is Perella Weinberg Partners LP and its legal advisors are Cleary Gottlieb Steen & Hamilton LLP and A&L Goodbody. Covidien's financial advisor is Goldman Sachs and its legal advisors are Wachtell, Lipton, Rosen & Katz and Arthur Cox.

Bank of America, N.A. provided committed financing for the transaction.

For more information about the transaction, please go to www.globalmedtechleader.com

Note to Investors

Webcast information: Medtronic and Covidien will conduct a webcast to discuss this news release tomorrow, June 16th, 2014, at 8:00 a.m., Eastern Time, which can be accessed by clicking on the Investors link on the Medtronic home page at <http://www.Medtronic.com>. Prior to the webcast, an Investor Slide presentation will be available under the Events and Presentations page in the Investors section of the Medtronic website. Within 24 hours, a replay of the webcast and a transcript will be available under the Events and Presentations page in the Investors section of the Medtronic website.

About Medtronic, Inc.

Medtronic (NYSE: MDT) (www.medtronic.com), headquartered in Minneapolis, is a global leader in medical technology – alleviating pain, restoring health, and extending life for millions of people around the world.

For press release and other company information, visit Medtronic's web site at www.medtronic.com.

About Covidien plc

Covidien (NYSE: COV) 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

¹ The statement that this acquisition is earnings accretive should not be interpreted to mean that the earnings per share in the current or any future financial period will necessarily match or be greater than those for the relevant preceding financial period.

billion, Covidien has more than 38,000 employees worldwide in more than 70 countries, and its products are sold in over 150 countries. Please visit www.covidien.com to learn more about Covidien's business.

About New Medtronic and New Medtronic Sub

New Medtronic is a private limited company incorporated in Ireland solely for the purpose of effecting the Transaction. Prior to the Effective Date, New Medtronic will be converted, pursuant to the Irish Companies Acts, to a public limited company. To date, New Medtronic has not conducted any activities other than those incidental to its formation and the execution of the Transaction Agreement.

New Medtronic Sub, a wholly-owned subsidiary of New Medtronic, is a private limited company incorporated in Ireland solely for the purpose of effecting the Transaction. To date, New Medtronic Sub has not conducted any activities other than those incidental to its formation and the execution of the Transaction Agreement.

At closing, under the Transaction Agreement, New Medtronic and New Medtronic Sub will acquire, pursuant to a "scheme of arrangement" under Irish law, all of the outstanding shares of Covidien and in exchange Covidien Shareholders will receive US\$35.19 in cash and 0.956 of a New Medtronic Share for each Covidien Share they currently hold.

Immediately after and conditioned on the consummation of the Acquisition, 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 and a wholly owned subsidiary of New Medtronic. At the effective time of the Merger, all existing Medtronic common stock will be cancelled and will automatically be converted into the right to receive shares of New Medtronic on a one-for-one basis.

At and as of the Effective Date, it is expected that New Medtronic will be a publicly traded company listed on the NYSE.

ENQUIRIES

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NO OFFER OR SOLICITATION

This communication is not intended to and does not constitute an offer to sell or the solicitation of an offer to subscribe for or buy or an invitation to purchase or subscribe for any securities or the solicitation of any vote or

approval in any jurisdiction pursuant to the acquisition, the merger or otherwise, nor shall there be any sale, issuance or transfer of securities in any jurisdiction in contravention of applicable law. No offer of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended.

IMPORTANT ADDITIONAL INFORMATION WILL BE FILED WITH THE SEC

New Medtronic will file with the Securities and Exchange Commission (the "SEC"), a registration statement on Form S-4 that will include the Joint Proxy Statement of Medtronic and Covidien that also constitutes a Prospectus of New Medtronic. Medtronic and Covidien plan to mail to their respective shareholders the Joint Proxy Statement/Prospectus (including the Scheme) in connection with the transactions. INVESTORS AND SHAREHOLDERS ARE URGED TO READ THE JOINT PROXY STATEMENT/PROSPECTUS (INCLUDING THE SCHEME) AND OTHER RELEVANT DOCUMENTS FILED OR TO BE FILED WITH THE SEC CAREFULLY WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT MEDTRONIC, COVIDIEN, NEW MEDTRONIC, THE TRANSACTIONS AND RELATED MATTERS. Investors and security holders will be able to obtain free copies of the Joint Proxy 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. In addition, investors and shareholders will be able to obtain free copies of the Joint Proxy Statement/Prospectus (including the Scheme) and other documents filed by Medtronic and New Medtronic with the SEC by contacting Medtronic Investor Relations at investor.relations@medtronic.com or by calling 763-505-2696, and will be able to obtain free copies of the Joint Proxy Statement/Prospectus (including the Scheme) and other documents filed by Covidien by contacting Covidien Investor Relations at investor.relations@covidien.com or by calling 508-452-4650.

PARTICIPANTS IN THE SOLICITATION

Medtronic, New Medtronic and Covidien and certain of their respective directors and executive officers and employees may be considered participants in the solicitation of proxies from the respective shareholders of Medtronic and Covidien in respect of the transactions contemplated by the Joint Proxy Statement/Prospectus. Information regarding the persons who may, under the rules of the SEC, be deemed participants in the solicitation of the respective shareholders of Medtronic and Covidien in connection with the proposed transactions, including a description of their direct or indirect interests, by security holdings or otherwise, will be set forth in the Joint Proxy Statement/Prospectus when it is filed with the SEC. Information regarding Medtronic's directors and executive officers is contained in Medtronic's Annual Report on Form 10-K for the fiscal year ended April 26, 2013 and its Proxy Statement on Schedule 14A, dated July 12, 2013, 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.

Medtronic Cautionary Statement Regarding Forward-Looking Statements

Statements contained in this communication that refer to New Medtronic's and/or Medtronic's estimated or anticipated future results, including estimated synergies, or other non-historical facts are forward-looking statements that reflect Medtronic's current perspective of existing trends and information as of the date of this communication. Forward looking statements generally will be accompanied by words such as "anticipate," "believe," "plan," "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 Medtronic's goals and expectations are not predictions of actual performance. Actual results may differ materially from Medtronic's current expectations depending upon a number of factors affecting New Medtronic's business, Medtronic's business, Covidien's business and risks associated with the proposed transactions. These factors include, among others, the inherent uncertainty associated with financial projections; restructuring in connection with, and successful close of, the Covidien acquisition; subsequent integration of the Covidien acquisition and the ability 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 Medtronic's and Covidien's products; the impact of competitive products and pricing; access to available financing (including financing for the acquisition or refinancing of Medtronic or Covidien debt) on a timely basis and on reasonable terms; the risks of fluctuations in foreign currency exchange rates; the risks and uncertainties normally incident to the medical device

industry, including competition in the medical device industry; product liability claims; the difficulty of predicting the timing or outcome of pending or future litigation or government investigations; variability of trade buying patterns; 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; costs and efforts to defend or enforce intellectual property rights; difficulties or delays in manufacturing; reduction or interruption in supply; product quality problems; the availability and pricing of third party sourced products and materials; 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; health care policy changes; risks associated with international operations; changes in tax laws or interpretations that could increase New Medtronic 's or Medtronic's consolidated tax liabilities, including, if the transaction is consummated, changes in tax laws that would result in New Medtronic being treated as a domestic corporation for United States federal tax purposes; the loss of key senior management or scientific staff; and such other risks and uncertainties detailed in Medtronic's periodic public filings with the Securities and Exchange Commission, including but not limited to Medtronic's Annual Report on Form 10-K for the fiscal year ended April 26, 2013 and from time to time in Medtronic's other investor communications. Except as expressly required by law, each of New Medtronic and Medtronic disclaims any intent or obligation to update or revise these forward-looking statements.

Covidien Cautionary Statement Regarding Forward-Looking Statements

Statements contained in this communication that refer to Covidien's estimated or anticipated future results, including estimated synergies, or other non-historical facts are forward-looking statements that reflect Covidien's current perspective of existing trends and information as of the date of this communication. Forward looking statements generally will be accompanied by words such as "anticipate," "believe," "plan," "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 Covidien's goals and expectations are not predictions of actual performance. Actual results may differ materially from Covidien's current expectations depending upon a number of factors affecting Covidien's business, Medtronic's business and risks associated with the proposed transactions. These factors include, among others, the inherent uncertainty associated with financial projections; the timing to consummate the proposed transactions; the risk that a condition to closing of the proposed transactions may not be satisfied; 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; New Medtronic's ability to achieve the synergies and value creation contemplated by the proposed transactions; the anticipated size of the markets and continued demand for Medtronic 's and Covidien's products; New Medtronic's ability to promptly and effectively integrate Medtronic's and Covidien's businesses; the diversion of management time on transaction-related issues; competitive factors and market conditions in the industry in which Covidien operates; Covidien's ability to obtain regulatory approval and customer acceptance of new products, and continued customer acceptance of its existing products; and the other risks identified in Covidien's periodic filings including its Annual Report on Form 10-K for the fiscal year ended September 27, 2013, and from time-to-time in its other investor communications. We caution you that the foregoing list of important factors is not exclusive. In addition, in light of these risks and uncertainties, the matters referred to in its forward-looking statements may not occur. Covidien undertakes no obligation to publicly update or revise any forward-looking statement as a result of new information, future events or otherwise, except as may be required by law.

Statement Required by the Irish Takeover Rules

The directors of Medtronic accept responsibility for the information contained in this announcement other than that relating to Covidien and the Covidien Group and the directors of Covidien and members of their immediate families, related trusts and persons connected with them. To the best of the knowledge and belief of the directors of Medtronic (who have taken all reasonable care to ensure that such is the case), the information contained in this announcement for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

The directors of Covidien accept responsibility for the information contained in this announcement relating to Covidien and the directors of Covidien and members of their immediate families, related trusts and persons connected with them. To the best of the knowledge and belief of the directors of Covidien (who have taken all reasonable care to ensure such is the case), the information contained in this announcement for which they accept

responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

Perella Weinberg Partners LP, which is a registered broker dealer with the U.S. Securities and Exchange Commission, is acting for Medtronic and New Medtronic and no one else in connection with the Transaction and will not be responsible to anyone other than Medtronic and New Medtronic for providing the protections afforded to clients of Perella Weinberg Partners LP, or for giving advice in connection with the Transaction or any matter referred to herein.

Goldman Sachs, which is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority in the United Kingdom, is acting for Covidien and no one else in connection with the Transaction and will not be responsible to anyone other than Covidien for providing the protections afforded to clients of Goldman Sachs, or for giving advice in connection with the Transaction or any matter referred to herein.

Dealing Disclosure Requirements

Under the provisions of Rule 8.3 of the Irish Takeover Panel Act, 1997, Takeover Rules 2013 (the "Irish Takeover Rules"), if any person is, or becomes, 'interested' (directly or indirectly) in, 1% or more of any class of 'relevant securities' of Covidien or Medtronic, all 'dealings' in any 'relevant securities' of Covidien or Medtronic (including by means of an option in respect of, or a derivative referenced to, any such 'relevant securities') must be publicly disclosed by not later than 3:30 pm (Irish time) on the 'business' day following the date of the relevant transaction. This requirement will continue until the date on which the Scheme becomes effective or on which the 'offer period' otherwise ends. If two or more persons co-operate on the basis of any agreement, either express or tacit, either oral or written, to acquire an 'interest' in 'relevant securities' of Covidien or Medtronic, they will be deemed to be a single person for the purpose of Rule 8.3 of the Irish Takeover Rules.

Under the provisions of Rule 8.1 of the Irish Takeover Rules, all 'dealings' in 'relevant securities' of Covidien by Medtronic or 'relevant securities' of Medtronic by Covidien, or by any party acting in concert with either of them, must also be disclosed by no later than 12 noon (Irish time) on the 'business' day following the date of the relevant transaction.

A disclosure table, giving details of the companies in whose 'relevant securities' 'dealings' should be disclosed, can be found on the Irish Takeover Panel's website at www.irishtakeoverpanel.ie.

'Interests in securities' arise, in summary, when a person has long economic exposure, whether conditional or absolute, to changes in the price of securities. In particular, a person will be treated as having an 'interest' by virtue of the ownership or control of securities, or by virtue of any option in respect of, or derivative referenced to, securities.

Terms in quotation marks are defined in the Irish Takeover Rules, which can also be found on the Irish Takeover Panel's website. If you are in any doubt as to whether or not you are required to disclose a dealing under Rule 8, please consult the Irish Takeover Panel's website at www.irishtakeoverpanel.ie or contact the Irish Takeover Panel on telephone number +353 1 678 9020 or fax number +353 1 678 9289.

No Profit Forecast / Asset Valuations

No statement in this announcement is intended to constitute a profit forecast for any period, nor should any statements be interpreted to mean that earnings or earnings per share will necessarily be greater or lesser than those for the relevant preceding financial periods for Medtronic or Covidien or New Medtronic as appropriate. No statement in this announcement constitutes an asset valuation.

General

Appendix I to this Rule 2.5 announcement contains further details of the sources of information and bases of calculations set out in this announcement; Appendix II to this Rule 2.5 announcement contains definitions of certain expressions used in this announcement; Appendix III to this Rule 2.5 announcement contains the Conditions of the Acquisition and the Scheme; Appendix IV to this Rule 2.5 announcement sets out the report from

PricewaterhouseCoopers in respect of certain merger benefit statements made in this announcement; Appendix V to this Rule 2.5 announcement contains the report from Perella Weinberg Partners LP, in respect of certain merger benefit statements made in this announcement and Appendix VI to this Rule 2.5 announcement sets out the Transaction Agreement.

The release, publication or distribution of this announcement in or into certain jurisdictions may be restricted by the laws of those jurisdictions. Accordingly, copies of this announcement and all other documents relating to the Acquisition are not being, and must not be, released, published, mailed or otherwise forwarded, distributed or sent in, into or from any Restricted Jurisdiction. Persons receiving such documents (including, without limitation, nominees, trustees and custodians) should observe these restrictions. Failure to do so may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies involved in the proposed Acquisition disclaim any responsibility or liability for the violations of any such restrictions by any person.

Any response in relation to the Acquisition should be made only on the basis of the information contained in the Scheme Circular or any document by which the Acquisition and the Scheme are made. Medtronic Shareholders and Covidien Shareholders are advised to read carefully the formal documentation in relation to the proposed Transaction once the Scheme Circular has been dispatched.

Pursuant to Rule 2.6(c) of the Irish Takeover Rules, this announcement will be available to Medtronic employees on Medtronic's website (www.medtronic.com) and Covidien employees on Covidien's website (www.covidien.com).

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For immediate release

15 June 2014

RECOMMENDED OFFER

MEDTRONIC, INC. TO ACQUIRE COVIDIEN PLC FOR \$42.9 BILLION IN CASH AND STOCK TO FORM NEW MEDTRONIC

1. Introduction

The boards of directors of Medtronic and Covidien announced today that they have reached agreement on the terms of a recommended acquisition of Covidien in a transaction valued at approximately \$42.9 billion. The Acquisition will be effected by means of a scheme of arrangement under section 201 of the Irish Companies Act 1963. Under the terms of the Transaction Agreement, each of Medtronic and Covidien will become a subsidiary of a new holding company incorporated in Ireland that will be named Medtronic plc. The Acquisition is subject to the Conditions set out in Appendix III to this announcement and which will also be set out in the Joint Proxy Statement/Prospectus (which will also contain the Scheme Circular).

2. Consideration

Under the terms of the Transaction Agreement, which has been approved by the boards of directors of both Medtronic and Covidien, at closing Covidien Shareholders will receive US\$35.19 in cash and 0.956 of a New Medtronic Share for each Covidien Share that they currently hold. Based on the closing price for Medtronic common stock on 13 June 2014, the last trading day prior to the date of this announcement, Covidien Shareholders will receive cash and shares valued at \$93.22 per share, representing a premium of 29% to the closing price of Covidien's ordinary shares on 13 June 2014, the last trading day prior to the date of this announcement and a total transaction equity value of approximately \$42.9 billion. Medtronic Shareholders will receive one share of New Medtronic for each share common stock of Medtronic that they own upon closing.

The Transaction and the Merger will be taxable for U.S. federal income tax purposes to both the Covidien Shareholders and the Medtronic Shareholders, respectively. The Transaction values the entire issued and to be issued share capital of Covidien at approximately US\$42.9 billion based on Medtronic's closing share price on 13 June 2014.

It is expected that, immediately after the closing of the Transaction and the Merger, Medtronic Shareholders will own approximately 70% of New Medtronic on a fully diluted basis and the Covidien Shareholders will own approximately 30% of New Medtronic on a fully diluted basis. Shares of New Medtronic are expected to trade on the New York Stock Exchange.

Each of Medtronic and New Medtronic Sub, an Irish entity formed to acquire Covidien in the "scheme of arrangement", have secured fully underwritten financing commitments from Bank of America, N.A. in the amount of US\$2.8 billion and US\$13.5 billion, respectively, for an aggregate amount of US\$16.3 billion, to finance the cash portion of the Acquisition. Medtronic and New Medtronic Sub each intend to later replace the bridge agreements or refinance any bridge borrowings through a new term debt issuance or use of cash on hand.

3. Covidien Background to and Reasons for Recommending the Acquisition

The Covidien Board has on an ongoing basis considered the long-term strategy of Covidien and strategic opportunities that might be available to enhance shareholder value, including additional investments in new growth opportunities, potential acquisitions and the possible sale of Covidien. Beginning in April 2014, senior management of Medtronic and Covidien had a series of discussions regarding the possibility of an acquisition by Medtronic of Covidien and the possible terms of such a transaction. In connection with a possible transaction, Covidien retained Goldman Sachs as its financial advisor and Wachtell, Lipton, Rosen & Katz and Arthur Cox as its legal advisors. During the period preceding the execution of definitive documentation for the Acquisition on 15 June 2014, the parties discussed and negotiated the transaction terms, conducted due diligence with respect to each other's businesses and consulted with the Panel, and Medtronic arranged financing for the transaction. Also during this period, the Covidien Board met, together with Covidien's senior management and its financial and legal advisors,

on various occasions to consider the merits of a potential transaction with Medtronic and the status of the discussions and negotiations between the parties. On 14 June 2014, the Covidien Board met, together with Covidien's senior management and financial and legal advisors, to consider proposed terms and drafts of definitive documentation for a proposed acquisition by Medtronic of Covidien. At this meeting, Covidien's Board unanimously determined that the 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.

In reaching its decision to approve the Acquisition, the Covidien Board consulted with and received advice and reports from Covidien's senior management and its financial and legal advisors, and drew on its knowledge of Covidien's business, assets, financial position, operating results, historical and current trading prices of its securities, and the opportunities and challenges in its businesses and the industries in which it operates, as well as information relating to Medtronic and the potential opportunities available to and future business prospects of the combined company. After giving consideration to these and a variety of other factors and risks, the Covidien Board unanimously determined to recommend that Covidien Shareholders vote in favor of the Acquisition.

4. Covidien Recommendation

The Board of Covidien, which has been so advised by Goldman Sachs, considers the terms of the Acquisition to be fair and reasonable. In providing its advice, Goldman Sachs has taken into account the commercial assessments of the Board of Covidien. Accordingly, the Board of Covidien unanimously recommends to Covidien Shareholders to vote in favor of the Acquisition and the Scheme, as the directors of Covidien who are Covidien Shareholders intend to do in respect of their own beneficial holdings.

5. Medtronic Background to and Reasons for the Acquisition

As a part of the on-going review of Medtronic's long-term strategy, the Medtronic Board considered strategic opportunities that might be available to enhance shareholder value, including additional investments in new growth opportunities and potential acquisitions. A series of discussions between senior management of Medtronic and Covidien began in April 2014 regarding the possibility of an acquisition by Medtronic of Covidien and the possible terms of such a transaction. In connection with a possible transaction, Medtronic retained Perella Weinberg Partners LP as its financial advisor and Cleary Gottlieb Steen & Hamilton LLP, and A&L Goodbody as its legal advisors.

During the period preceding the execution of definitive documentation for the Acquisition on 15 June 2014, the parties discussed and negotiated the transaction terms, conducted due diligence with respect to each other's businesses and consulted with the Panel, and Medtronic arranged financing for the transaction. On 15 June 2014, the Medtronic Board met, together with Medtronic's senior management and financial and legal advisors, to consider proposed terms and drafts of definitive documentation for a proposed acquisition by Medtronic of Covidien. At this meeting, Medtronic's Board unanimously determined that the Transaction Agreement and the transactions contemplated thereby, including the Merger, were advisable for, fair to and in the best interests of Medtronic and the Medtronic Shareholders, and thereby approved the Acquisition and the Merger.

In reaching its decision to approve the Acquisition, the Medtronic Board consulted with and received advice and reports from Medtronic's senior management and its financial and legal advisors, and drew on its knowledge of Medtronic's business, assets, financial position, operating results, historical and current trading prices of its securities, and the opportunities and challenges in its businesses and the industries in which it operates, as well as information relating to Covidien and the potential opportunities available to and future business prospects of the combined company. After giving consideration to these and a variety of other factors and risks, the Medtronic Board unanimously recommends that Medtronic Shareholders vote to approve the Transaction Agreement.

After giving consideration to these and a variety of other factors and risks, the Medtronic Board unanimously recommends that Medtronic Shareholders vote to approve the Transaction Agreement.

6. The Acquisition, the Scheme and the Merger

The acquisition of Covidien by New Medtronic will be effected by means of a "scheme of arrangement" under Irish law pursuant to which New Medtronic and its wholly owned subsidiary, New Medtronic Sub, will acquire all of the

outstanding shares of Covidien in exchange for: (i) 0.956 shares to be issued by New Medtronic and (ii) US\$35.19 in cash, per Covidien Share. The Acquisition will be subject to the Conditions set out in Appendix III to this announcement and to be set forth in the scheme of arrangement described in the Scheme Circular which will be delivered to Covidien shareholders as part of the Joint Proxy Statement/Prospectus.

To become effective, the scheme of arrangement will require, among other things, the approval of a majority in number of Covidien shareholders, present and voting either in person or by proxy at an extraordinary general meeting of Covidien shareholders, representing seventy five per cent or more in value of Covidien shares held by such holders, as well as the approval by Covidien Shareholders of resolutions relating to the implementation of the Scheme. Following the requisite Covidien shareholder approval being obtained and the satisfaction or (where applicable) waiver of the other conditions to the consummation of the scheme of arrangement, the sanction of the Irish High Court is also required.

In addition, the Transaction must be approved in a special meeting by shareholders holding a majority of the outstanding Medtronic common stock. The Transaction, which is unanimously recommended by the boards of directors of both companies, is also subject to receipt of certain regulatory approvals and certain other conditions, as more particularly set out in Appendix III of this announcement.

Assuming the necessary approvals from the Covidien Shareholders and the Medtronic Shareholders have been obtained and all other conditions have been satisfied or (where applicable) waived, the Scheme will become effective upon delivery to the Irish Registrar of Companies of a copy of the Court Order of the High Court sanctioning the Scheme together with the minute required by section 75 of the Act confirming a capital reduction to take place in connection with the Transaction and registration of the Court Order and minute by the Registrar of Companies. Upon the Scheme becoming effective, it will be binding on all Covidien Shareholders, irrespective of whether or not they attended or voted at the Court Meeting or the EGM.

The Acquisition will be conditional upon the Scheme becoming effective. The Conditions to the Acquisition and the Scheme are set out in full in Appendix III to this announcement. The implementation of the Scheme is conditional, amongst other things, upon:

- the approval by the Covidien Shareholders and the sanction by the Irish High Court of the Scheme;
- the approval by the Medtronic Shareholders;
- the approval for listing on NYSE (subject only to certain standard conditions) of the New Medtronic Shares;
- all applicable waiting periods under the HSR Act in connection with the Acquisition and/or the Merger having expired or having been terminated;
- to the extent that the Acquisition constitutes a concentration within the scope of the EC Merger Regulation or is otherwise a concentration that is subject to the EC Merger Regulation, 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 regulatory clearances having been obtained and remaining in full force and effect and applicable waiting periods having expired, lapsed or terminated (as appropriate), in each case in connection with the Acquisition and/or the Merger, under relevant antitrust, competition or foreign investment laws of Canada, the People's Republic of China, Japan, Israel, Russia, Turkey and South Korea;
- no (i) law, (ii) injunction, restraint or prohibition by any court of competent jurisdiction or (iii) injunction, order or prohibition under any antitrust law by any relevant authority which prohibits its consummation of the Acquisition or the Merger having been entered and which is continuing to be in effect; and
- the Form S-4 containing the Joint Proxy Statement/Prospectus having become effective under the Securities Act and not being the subject of any stop order or proceedings seeking any stop order.

In addition to the Conditions described above, the Acquisition is also 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 Code (or any other U.S. Tax Law), or official interpretation thereof as set forth in published guidance by the IRS (other than News Releases) (whether or not such change in official interpretation is yet effective), and there shall have 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 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;

The Scheme Circular, containing further information relating to the implementation of the Acquisition, the full terms and Conditions of the Scheme, and the notices of the Court Meeting to be convened by direction of the High Court, the separate Covidien Extraordinary General Meeting required to approve the Scheme and related resolutions and information relating to the convening of the Medtronic Special Meeting will be mailed as soon as reasonably practicable after the date of this announcement to Medtronic Shareholders and to Covidien Shareholders.

The Joint Proxy Statement/Prospectus will contain important information about the merger of a wholly owned indirect subsidiary of New Medtronic with and into Medtronic (with Medtronic as the surviving corporation), the Acquisition (including the Scheme), the Transaction Agreement, the Medtronic Special Meeting, the Court Meeting and the Covidien Extraordinary General Meeting. The Joint Proxy Statement/Prospectus will be a part of the Form S-4 filed with the SEC with respect to the issuance of the New Medtronic Shares pursuant to the Securities Act. Upon a declaration of effectiveness by the SEC of the Form S-4, the Joint Proxy Statement/Prospectus will constitute a prospectus of New Medtronic.

7. Merger Benefit Statement

The combination is expected to result in at least \$850 million of annual pre-tax cost synergies by the end of the fiscal year 2018. These synergies include the benefits of optimizing global back-office, manufacturing and distribution infrastructure, as well as the elimination of redundant public company costs. The estimate excludes any potential revenue synergies.

Subject to the Scheme becoming effective, Covidien Shareholders will be able to share in the synergies resulting from the Acquisition by means of the New Medtronic Shares they will receive as part of the Consideration.

There are various material assumptions underlying the synergies estimate which may result in the synergies being materially greater or less than estimated. The estimate of synergies should therefore be read in conjunction with the key assumptions underlying the estimates.

The synergy statements should not be construed as a profit forecast or interpreted to mean that New Medtronic's earnings in the first full year following the Acquisition, or in any subsequent period, would necessarily match or be greater than or be less than those of Medtronic and/or Covidien for the relevant preceding financial period or any other period.

The estimate of synergies set out in this announcement has been reported on for the purposes of Rule 19.3(b)(ii) of the Irish Takeover Rules by (i) the Irish firm of PricewaterhouseCoopers; and (ii) Perella Weinberg Partners LP. Copies of their respective reports are included in Appendix IV and Appendix V to this announcement. Each of PricewaterhouseCoopers and Perella Weinberg Partners LP has given and not withdrawn its consent to the issue of this announcement with the inclusion of its report.

8. About Medtronic

Medtronic (NYSE: MDT), headquartered in Minneapolis, is the global leader in medical technology -- alleviating pain, restoring health and extending life for millions of people around the world.

For press release and other company information, please visit Medtronic's web site at www.medtronic.com.

9. About Covidien

Covidien (NYSE: COV) is a global healthcare technology and medical supplies provider 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, Covidien has more than 38,000 employees worldwide in more than 70 countries, and its products are sold in over 150 countries. Please visit www.covidien.com to learn more about Covidien's business.

10. About New Medtronic and New Medtronic Sub

New Medtronic is a private limited company incorporated in Ireland solely for the purpose of effecting the Transaction. Prior to the Effective Date, New Medtronic will be re-registered, pursuant to the Irish Companies Acts, to a public limited company. To date, New Medtronic has not conducted any activities other than those incidental to its formation and the execution of the Transaction Agreement.

New Medtronic Sub, a wholly-owned subsidiary of New Medtronic, is a private limited company incorporated in Ireland solely for the purpose of effecting the Transaction. To date, New Medtronic Sub has not conducted any activities, other than those incidental to its formation and the execution of the Transaction Agreement.

Immediately after and conditioned on the concurrent consummation of the Acquisition, MergerSub will merge with and into Medtronic, with the result that the separate corporate existence of MergerSub will cease and Medtronic will continue as the surviving corporation. At the Effective Time, all existing Medtronic common stock will be cancelled and will automatically be converted into the right to receive New Medtronic Shares on a one-for-one basis.

At and as of the Effective Time, it is expected that New Medtronic will be a publicly traded company listed on the NYSE.

11. Effect of the Scheme on Covidien Option and Share Schemes

With respect to outstanding awards under the Covidien Share Plan, pursuant to the terms of the Transaction Agreement, (i) each outstanding Covidien Option will be assumed by New Medtronic and converted into options to purchase a number of New Medtronic Shares, and with an exercise price, adjusted to reflect the conversion from Covidien Shares to New Medtronic Shares and otherwise on the same terms and conditions as applied to the outstanding Covidien Option; (ii) each Covidien Share Award granted prior to the date hereof will become vested as of the Effective Time (in the case of any Covidien Share Award the vesting of which depends upon the achievement of performance criteria, achievement thereof shall be determined based on actual performance as measured during the 60-trading day period ending on the date that is the sixth business day prior to the date on which occurs the Effective Time), and the holder of any such Covidien Share Award will be treated on the same basis as other Covidien Shareholders (less applicable withholding taxes); and (iii) each Covidien Share Award granted on or after the date hereof will be assumed by New Medtronic and converted into a New Medtronic Share Award with respect to a number of New Medtronic Shares adjusted to reflect the conversion from Covidien Shares to New Medtronic Shares and otherwise on the same terms and conditions as applied to the outstanding Covidien Share Award.

12. Management and Employees

Pursuant to the terms of the Transaction Agreement, Medtronic has given assurances to Covidien that existing severance and change-in-control arrangements will not be impaired by the proposed Acquisition. Further details in this regard will be included in the Joint Proxy Statement/Prospectus.

13. Delisting and Cancellation of Trading of Medtronic and Covidien and Admission to Trading of New Medtronic

It is intended that, subject to and following the Scheme and Merger becoming effective, and subject to applicable requirements of the NYSE, the Medtronic Shares will be delisted from the NYSE and the Covidien Shares will be delisted from the NYSE. The last day of dealing in Covidien Shares on the NYSE and Medtronic Shares on the NYSE will be the last Business Day before the Effective Date (or, in certain circumstances, the Effective Date). It is expected that New Medtronic Shares will commence trading on the NYSE on the Effective Date (or, in certain circumstances, the Business Day after the Effective Date).

14. Financing

Each of Medtronic and New Medtronic Sub, an Irish entity formed to acquire Covidien in the “scheme of arrangement” have secured fully underwritten financing commitments from Bank of America, N.A. in the amount of US\$2.8 billion and US\$13.5 billion, respectively, for an aggregate amount of US\$16.3 billion, which are available to finance the cash portion of the Acquisition, and pay fees and expenses related to the Transaction. Medtronic and New Medtronic Sub each intend to later replace the bridge agreements or refinance and repay any bridge borrowings through new debt issuances and the use of cash on hand.

Further information on the financing of the Acquisition will be set out in the Scheme Circular.

Perella Weinberg Partners LP, 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.

15. Expenses Reimbursement Agreement

Covidien has entered into the Expenses Reimbursement Agreement dated 15 June 2014 with Medtronic, the terms of which have been approved by the Panel. Under the Expenses Reimbursement Agreement, Covidien has agreed to pay to Medtronic in certain circumstances an amount equal to 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, but not limited to, exploratory work carried out in contemplation of and in connection with the Acquisition, legal, financial and commercial due diligence, arranging financing and engaging advisers to assist in the process. The liability of Covidien to pay these amounts shall arise only after the date of this announcement and is limited to a maximum amount equal to 1% of the total value attributable to the entire issued share capital of Covidien under the Acquisition (excluding, for the avoidance of doubt, any interest in such share capital of Covidien held by Medtronic or any person deemed to be acting in concert with Medtronic). The circumstances in which such payment will be made are if:

- (a) the Transaction Agreement is terminated:
 - (i) for the reason that the Court Meeting or the EGM shall have been completed and the Court Meeting Resolution or the EGM Resolutions, as applicable, shall not have been approved by the requisite votes, if (A) the Covidien Board or any committee thereof 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 Scheme Recommendation or the recommendation contemplated by Clause 3.6(c)(iii) of the Transaction Agreement, (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 deemed to be a “Covidien Change of Recommendation” under Clause 5.3(f) of the Transaction Agreement (it being understood, for the avoidance of doubt, that the provision by Covidien to Medtronic of notice or information in connection with a Covidien Alternative Proposal or Covidien Superior Proposal as required or expressly permitted by the Transaction Agreement shall not, in and of itself, satisfy this (i)(A)) and (B) either (1) the condition set forth in paragraph 3(a) of Appendix III shall have been satisfied at the time of such termination or (2) Covidien shall have effected such termination prior to the time that the meeting of the holders of the shares of Common Stock of Medtronic, par value US\$0.10 per share, for the purpose of obtaining the adoption of the plan of merger contemplated by the Transaction Agreement shall have been completed; or

- (ii) by Covidien, at any time prior to obtaining the Covidien Shareholder Approval, in order to enter into any agreement, understanding or arrangement providing for a Covidien Superior Proposal; or
- (b) all of the following occur:
 - (i) prior to the Court Meeting, a Covidien Alternative Proposal is publicly disclosed or any person shall have 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 Court Meeting (it being understood that, for purposes of this (b)(i) and (b)(iii) below, references to 20% and 80% in the definition of Covidien Alternative Proposal shall be deemed to refer to "50%"); and
 - (ii) the Transaction Agreement is terminated by Covidien or Medtronic for the reason that the Court Meeting or the EGM shall have been completed and the Court Meeting Resolution or the EGM Resolutions, as applicable, are not approved by the requisite votes; and
 - (iii) 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 clause (b)(i) above); or
- (c) all of the following occur:
 - (i) prior to the Court Meeting, a Covidien Alternative Proposal is publicly disclosed or any person shall have 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 set out in (c)(ii) below (it being understood that, for the purposes of this (c)(i) and (c)(iii) below, references to 20% and 80% in the definition of Covidien Alternative Proposal shall be deemed to refer to "50%"); and
 - (ii) the Transaction Agreement is terminated by Medtronic for the reason that Covidien shall have 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 the conditions set forth in paragraph 1, 2, 3, or 4 of Appendix III and (B) is not reasonably capable of being cured by the End Date or, if curable, Medtronic shall have given 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 shall not have been cured within 30 days following the delivery of such written notice); and
 - (iii) 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 (c)(i)).

Goldman Sachs has confirmed in writing to the Panel that in the opinion of Goldman Sachs and Covidien, in the context of the Acquisition, the Expenses Reimbursement Agreement is in the best interests of Covidien and the Covidien Shareholders.

16. Transaction Agreement

Medtronic, New Medtronic, New Medtronic Sub, US AcquisitionCo, MergerSub and Covidien have entered into the Transaction Agreement dated 15 June 2014 which contains certain assurances in relation to the implementation of the Scheme and other matters relating to the Acquisition. A copy of the Transaction Agreement is appended to this

announcement at Appendix VI and a summary of the principal terms of the Transaction Agreement will be set out in the Scheme Circular.

17. Medtronic Shareholder Approval

Pursuant to the Transaction Agreement, MergerSub will merge with and into Medtronic with Medtronic continuing as the surviving corporation in the merger and in consideration of which Medtronic Shareholders will receive one share in New Medtronic for each Medtronic Share held by them on closing. As a result of that, Medtronic Shareholders holding a majority of the outstanding Medtronic common stock must vote to approve the Transaction Agreement at a special shareholder meeting to be convened by Medtronic. Medtronic is required to send Medtronic Shareholders the Joint Proxy Statement/Prospectus summarizing the background to and reasons for the transactions to be consummated pursuant to the Transaction Agreement (which will include a notice convening the Medtronic Special Meeting) as well as information relating to the Merger and the New Medtronic Shares.

18. Medtronic Recommendation

The Board of Medtronic considers the terms of the Acquisition and the Merger to be advisable, consistent with, and in furtherance of the strategies and goals of Medtronic and that the entry into the Transaction Agreement and the Merger are fair to and in the best interests of Medtronic and the Medtronic Shareholders. In connection with reaching such determination, the Board of Medtronic has received an opinion from its financial advisor, Perella Weinberg Partners LP, that, as of the date thereof and subject to the various assumptions and limitations set forth in the opinion, the Merger consideration (taking into account the Acquisition) is fair, from a financial point of view, to the holders of Medtronic common stock (other than Medtronic and its subsidiaries). Accordingly, the Board of Medtronic unanimously recommends to Medtronic Shareholders to vote to approve the Transaction Agreement.

19. Interests and Short Positions in Covidien

As at 13 June 2014, being the last practicable date prior to this announcement, none of Medtronic or any person Acting in Concert with Medtronic had any interest, or held any short position, in any relevant securities of Covidien and none of Medtronic or any person acting in concert with Medtronic has any arrangement to which Rule 8.7 applies relating to relevant securities of Covidien.

For these purposes, “arrangement to which Rule 8.7 applies” has the meaning given to that term in the Irish Takeover Rules. An “arrangement to which Rule 8.7 applies” includes any indemnity or option arrangement, and any agreement or understanding, formal or informal, of whatever nature, between two or more persons relating to relevant securities which is, or may be, an inducement to one or more of such persons to deal or refrain from dealing in such securities.

In the interests of confidentiality, Medtronic has made limited enquiries in respect of certain parties who may be deemed by the Panel to be Acting in Concert with it for the purposes of the Acquisition. Further enquiries will be made to the extent necessary as soon as practicable following the date of this announcement and any disclosure in respect of such parties will be included in the Scheme Document.

20. Rule 30.2 Derogation

Rule 30.2 of the Irish Takeover Rules requires that, except with the consent of the Panel, and subject to Rule 2.7 of the Irish Takeover Rules, Covidien must dispatch the Scheme Circular to Covidien Shareholders within 28 days of the announcement of a firm intention to make an offer, being this announcement.

On 13 June 2014 the Panel agreed to grant the parties a derogation from Rule 30.2.

There is a requirement to file a Form S-4 Registration Statement (the “**Form S-4**”) with the SEC in connection with the Transaction. The Form S-4 will contain the Joint Proxy Statement/Prospectus (which will also contain the Scheme Circular). The preparation of the Form S-4 may take more than 28 days. Also, the SEC may elect to review the Form S-4 prior to declaring it effective. This review process may take 60 days or more to complete. Under SEC rules, the Scheme Circular cannot be dispatched to Covidien or Medtronic Shareholders until the Form S-4 is declared effective by the SEC. The Panel granted the derogation on the basis that the Scheme Circular cannot be

dispatched until the Form S-4 is declared effective by the SEC. The Scheme Circular will be dispatched to Covidien Shareholders as soon as practicable after the Form S-4 is declared effective.

21. General

The Acquisition and the Scheme will be made subject to the Conditions and the further terms and conditions to be set out in the Scheme Circular. The Scheme Circular will include full details of the Acquisition and will be accompanied by the appropriate forms of proxy.

Medtronic reserves the right to elect to implement the Acquisition of Covidien by way of a takeover offer as an alternative to the Scheme, subject to the provisions of the Transaction Agreement and the consent of the Panel. In such event, the Acquisition will be implemented on substantially the same terms, so far as applicable, as those which would apply to the Scheme, subject to appropriate amendments (including an acceptance condition set at 80% of the shares to which such offer relates).

The Transaction Agreement is governed by the laws of the State of New York. However, the Acquisition and the Scheme will be, to the extent required by the laws of Ireland, governed by the laws of Ireland and will be subject to the applicable requirements of the Irish Takeover Rules and applicable laws and the Merger will, to the extent required by the laws of the State of Minnesota, be governed by the laws of the State of Minnesota.

Appendix I to this announcement contains further details of the sources of information and bases of calculations set out in this announcement; Appendix II to this announcement contains definitions of certain expressions used in this announcement; Appendix III to this announcement contains the Conditions of the Acquisition and the Scheme; Appendix IV to this announcement contains the report of PricewaterhouseCoopers; and Appendix V to this announcement sets out the report of Perella Weinberg Partners LP, incorporated for the purposes of Rule 19.3(b)(ii) of the Irish Takeover Rules; and Appendix VI to this announcement sets out the Transaction Agreement.

ENQUIRIES

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NO OFFER OR SOLICITATION

This communication is not intended to and does not constitute an offer to sell or the solicitation of an offer to subscribe for or buy or an invitation to purchase or subscribe for any securities or the solicitation of any vote or approval in any jurisdiction pursuant to the acquisition, the merger or otherwise, nor shall there be any sale, issuance or transfer of securities in any jurisdiction in contravention of applicable law. No offer of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended.

IMPORTANT ADDITIONAL INFORMATION WILL BE FILED WITH THE SEC

New Medtronic will file with the Securities and Exchange Commission (the "SEC"), a registration statement on Form S-4 that will include the Joint Proxy Statement of Medtronic and Covidien that also constitutes a Prospectus of New Medtronic. Medtronic and Covidien plan to mail to their respective shareholders the Joint Proxy Statement/Prospectus (including the Scheme) in connection with the transactions. INVESTORS AND SHAREHOLDERS ARE URGED TO READ THE JOINT PROXY STATEMENT/PROSPECTUS (INCLUDING THE SCHEME) AND OTHER RELEVANT DOCUMENTS FILED OR TO BE FILED WITH THE SEC CAREFULLY WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT MEDTRONIC, COVIDIEN, NEW MEDTRONIC, THE TRANSACTIONS AND RELATED MATTERS. Investors and security holders will be able to obtain free copies of the Joint Proxy 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. In addition, investors and shareholders will be able to obtain free copies of the Joint Proxy Statement/Prospectus (including the Scheme) and other documents filed by Medtronic and New Medtronic with the SEC by contacting Medtronic Investor Relations investor.relations@medtronic.com or by calling 763-505-2696, and will be able to obtain free copies of the Joint Proxy Statement/Prospectus (including the Scheme) and other documents filed by Covidien by contacting Covidien Investor Relations at investor.relations@covidien.com or by calling 508-452-4650.

PARTICIPANTS IN THE SOLICITATION

Medtronic, New Medtronic and Covidien and certain of their respective directors and executive officers and employees may be considered participants in the solicitation of proxies from the respective shareholders of Medtronic and Covidien in respect of the transactions contemplated by the Joint Proxy Statement/Prospectus. Information regarding the persons who may, under the rules of the SEC, be deemed participants in the solicitation of the respective shareholders of Medtronic and Covidien in connection with the proposed transactions, including a description of their direct or indirect interests, by security holdings or otherwise, will be set forth in the Joint Proxy Statement/Prospectus when it is filed with the SEC. Information regarding Medtronic's directors and executive officers is contained in Medtronic's Annual Report on Form 10-K for the fiscal year ended April 26, 2013 and its Proxy Statement on Schedule 14A, dated July 12, 2013, 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.

Medtronic Cautionary Statement Regarding Forward-Looking Statements

Statements contained in this communication that refer to New Medtronic's and/or Medtronic's estimated or anticipated future results, including estimated synergies, or other non-historical facts are forward-looking statements that reflect Medtronic's current perspective of existing trends and information as of the date of this communication. Forward looking statements generally will be accompanied by words such as "anticipate," "believe," "plan," "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 Medtronic's goals and expectations are not predictions of actual performance. Actual results may differ materially from Medtronic's current expectations depending upon a number of factors affecting New Medtronic's business, Medtronic's business, Covidien's business and risks associated with the proposed transactions. These factors include, among others, the inherent uncertainty associated with financial projections; restructuring in connection with, and successful close of, the Covidien acquisition; subsequent integration of the Covidien acquisition and the ability 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 Medtronic's and Covidien's products; the impact of competitive products and pricing; access to available financing (including financing for the acquisition or refinancing of Medtronic or Covidien debt) on a timely basis and on reasonable terms; the risks of fluctuations in foreign currency exchange rates; the risks and uncertainties normally incident to the medical device industry, including competition in the medical device industry; product liability claims; the difficulty of predicting the timing or outcome of pending or future litigation or government investigations; variability of trade buying patterns; 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; costs and efforts to defend or enforce intellectual property rights; difficulties or delays in manufacturing; reduction or interruption in supply; product quality problems; the availability and pricing of third party sourced products and materials; 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; health care policy changes; risks associated with international operations; changes in tax laws or interpretations that could increase New Medtronic's or Medtronic's consolidated tax liabilities, including, if the transaction is consummated, changes in tax laws that would result in New Medtronic being treated as a domestic corporation for United States federal tax purposes; the loss of key senior management or scientific staff; and such other risks and uncertainties detailed in Medtronic's periodic public filings with the Securities and Exchange Commission, including but not limited to Medtronic's Annual Report on Form 10-K for the fiscal year ended April 26, 2013 and from time to time in Medtronic's other investor communications. Except as expressly required by law, each of New Medtronic and Medtronic disclaims any intent or obligation to update or revise these forward-looking statements.

Covidien Cautionary Statement Regarding Forward-Looking Statements

Statements contained in this communication that refer to Covidien's estimated or anticipated future results, including estimated synergies, or other non-historical facts are forward-looking statements that reflect Covidien's current perspective of existing trends and information as of the date of this communication. Forward looking statements generally will be accompanied by words such as "anticipate," "believe," "plan," "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 Covidien's goals and expectations are not predictions of actual performance. Actual results may differ materially from Covidien's current expectations depending upon a number of factors affecting Covidien's business, Covidien's business and risks associated with acquisition transactions. These factors include, among others, the inherent uncertainty associated with financial projections; the timing to consummate the proposed Transaction with Medtronic; the risk that a condition to closing of the proposed Transaction with Medtronic may not be satisfied; 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; New Medtronic's ability to achieve the synergies and value creation contemplated by the proposed acquisition; New Medtronic's ability to promptly and effectively integrate Medtronic's and Covidien's businesses; the diversion of management time on transaction-related issues; our substantial indebtedness; competitive factors and market conditions in the industry in which we operate; our ability to obtain regulatory approval and customer acceptance of new products, and continued customer acceptance of our existing products; and the other risks identified in our periodic filings including our Annual Report on Form 10-K for the year ended September 27, 2013, and from time-to-time in Covidien's other investor communications. We caution you that the foregoing list of important factors is not exclusive. In addition, in light of these risks and uncertainties, the matters referred to in Covidien's forward-looking statements may not occur. Covidien undertakes no obligation to publicly update or revise any forward-looking statement as a result of new information, future events or otherwise, except as may be required by law.

Statement Required by the Irish Takeover Rules

The directors of Medtronic accept responsibility for the information contained in this announcement other than that relating to Covidien and the Covidien Group and the directors of Covidien and members of their immediate families, related trusts and persons connected with them. To the best of the knowledge and belief of the directors of Medtronic (who have taken all reasonable care to ensure that such is the case), the information contained in this announcement for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

The directors of Covidien accept responsibility for the information contained in this announcement relating to Covidien and the directors of Covidien and members of their immediate families, related trusts and persons connected with them. To the best of the knowledge and belief of the directors of Covidien (who have taken all reasonable care to ensure such is the case), the information contained in this announcement for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

Perella Weinberg Partners LP, which is a registered broker dealer with the U.S. Securities and Exchange Commission, is acting for Medtronic and New Medtronic and no one else in connection with the Transaction and will not be responsible to anyone other than Medtronic and New Medtronic for providing the protections afforded to clients of Perella Weinberg Partners LP, or for giving advice in connection with the Transaction or any matter referred to herein.

Goldman Sachs, which is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority in the United Kingdom, is acting for Covidien and no one else in connection with the Transaction and will not be responsible to anyone other than Covidien for providing the protections afforded to clients of Goldman Sachs, or for giving advice in connection with the Transaction or any matter referred to herein.

Dealing Disclosure Requirements

Under the provisions of Rule 8.3 of the Irish Takeover Panel Act, 1997, Takeover Rules 2013, (the “Irish Takeover Rules”), if any person is, or becomes, ‘interested’ (directly or indirectly) in, 1% or more of any class of ‘relevant securities’ of Covidien or Medtronic, all ‘dealings’ in any ‘relevant securities’ of Covidien or Medtronic (including by means of an option in respect of, or a derivative referenced to, any such ‘relevant securities’) must be publicly disclosed by not later than 3:30 pm (Irish time) on the ‘business’ day following the date of the relevant transaction. This requirement will continue until the date on which the Scheme becomes effective or on which the ‘offer period’ otherwise ends. If two or more persons co-operate on the basis of any agreement, either express or tacit, either oral or written, to acquire an ‘interest’ in ‘relevant securities’ of Covidien or Medtronic, they will be deemed to be a single person for the purpose of Rule 8.3 of the Irish Takeover Rules.

Under the provisions of Rule 8.1 of the Irish Takeover Rules, all ‘dealings’ in ‘relevant securities’ of Covidien by Medtronic or ‘relevant securities’ of Medtronic by Covidien, or by any party acting in concert with either of them, must also be disclosed by no later than 12 noon (Irish time) on the ‘business’ day following the date of the relevant transaction.

A disclosure table, giving details of the companies in whose ‘relevant securities’ ‘dealings’ should be disclosed, can be found on the Irish Takeover Panel’s website at www.irishtakeoverpanel.ie.

‘Interests in securities’ arise, in summary, when a person has long economic exposure, whether conditional or absolute, to changes in the price of securities. In particular, a person will be treated as having an ‘interest’ by virtue of the ownership or control of securities, or by virtue of any option in respect of, or derivative referenced to, securities.

Terms in quotation marks are defined in the Irish Takeover Rules, which can also be found on the Irish Takeover Panel’s website. If you are in any doubt as to whether or not you are required to disclose a dealing under Rule 8, please consult the Irish Takeover Panel’s website at www.irishtakeoverpanel.ie or contact the Irish Takeover Panel on telephone number +353 1 678 9020 or fax number +353 1 678 9289.

No Profit Forecast / Asset Valuations

No statement in this announcement is intended to constitute a profit forecast for any period, nor should any statements be interpreted to mean that earnings or earnings per share will necessarily be greater or lesser than those for the relevant preceding financial periods for Medtronic or Covidien or New Medtronic as appropriate. No statement in this announcement constitutes an asset valuation.

General

Appendix I to this Rule 2.5 announcement contains further details of the sources of information and bases of calculations set out in this announcement; Appendix II to this Rule 2.5 announcement contains definitions of certain expressions used in this announcement; Appendix III to this Rule 2.5 announcement contains the Conditions of the Acquisition and the Scheme; Appendix IV to this Rule 2.5 Announcement sets out the report from PricewaterhouseCoopers in respect of certain merger benefit statements made in this announcement; Appendix V to this Rule 2.5 announcement contains the report from Perella Weinberg Partners LP, in respect of certain merger benefit statements made in this announcement and Appendix VI to this Rule 2.5 announcement sets out the Transaction Agreement.

The release, publication or distribution of this announcement in or into certain jurisdictions may be restricted by the laws of those jurisdictions. Accordingly, copies of this announcement and all other documents relating to the Acquisition are not being, and must not be, released, published, mailed or otherwise forwarded, distributed or sent in, into or from any Restricted Jurisdiction. Persons receiving such documents (including, without limitation, nominees, trustees and custodians) should observe these restrictions. Failure to do so may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies involved in the proposed Acquisition disclaim any responsibility or liability for the violations of any such restrictions by any person.

Any response in relation to the Acquisition should be made only on the basis of the information contained in the Scheme Circular or any document by which the Acquisition and the Scheme are made. Medtronic Shareholders and Covidien Shareholders are advised to read carefully the formal documentation in relation to the proposed Transaction once the Scheme Circular has been dispatched.

Pursuant to Rule 2.6(c) of the Irish Takeover Rules, this announcement will be available to Medtronic employees on Medtronic's website (www.medtronic.com) and Covidien employees on Covidien's website (www.covidien.com).

APPENDIX I

SOURCES AND BASES OF INFORMATION

1. In this announcement, unless otherwise stated or the context otherwise requires, the following bases and sources have been used:
 - (a) The historical share prices are sourced from the New York Stock Exchange for both Medtronic and Covidien;
 - (b) The value of the whole of the existing issued share capital of Medtronic is based upon the entire issued ordinary share capital excluding treasury shares at 5 June 2014, namely 996,285,823 Medtronic Shares;
 - (c) The value of the whole of the existing issued share capital of Covidien is based upon the entire issued ordinary share capital excluding treasury shares at 5 June 2014, namely 451,103,314 Covidien Shares;
 - (d) References to the arrangements in place between Medtronic and Covidien regarding an expenses reimbursement agreement are sourced from the terms of the Expenses Reimbursement Agreement approved by the Panel;
 - (e) The entire issued and to be issued share capital (fully diluted share capital) of Medtronic is calculated on the basis of:
 - (i) the number of issued Medtronic Shares, as set out in paragraph (b) above; and
 - (ii) 9,840,589 issued Medtronic Restricted Stock Units (“RSUs”); and
 - (iii) 33,892,491 Medtronic Options; and
 - (iv) all Medtronic Shares, RSUs and Options maintain vesting status and remain outstanding;
 - (f) The entire issued and to be issued share capital (fully diluted share capital) of Covidien is calculated on the basis of:
 - (i) the number of issued Covidien Shares, as set out in paragraph (c) above; and
 - (ii) 1,098,058 issued Covidien Performance Share Units (“PSUs”) (calculated by reference to the number of Covidien Shares the PSUs are convertible into if target performance criteria are met); and
 - (iii) vesting of Covidien PSUs at target performance level; and
 - (iv) 1,733,112 issued Covidien RSUs; and
 - (v) vesting of Covidien RSUs; and
 - (vi) 14,184,844 Covidien Options; and
 - (vii) conversion of Covidien Options into options to acquire New Medtronic Shares;
 - (g) Save where otherwise stated, financial and other information concerning Medtronic and Covidien has been extracted from published sources or from audited financial results of Medtronic and Covidien; and
 - (h) References to the arrangements in place between Medtronic and Covidien regarding a transaction agreement are sourced from the Transaction Agreement.

2. The statement that the Acquisition is earnings accretive should not be interpreted to mean that the earnings per share in the current or any future period financial period will necessarily match or be greater than those for the relevant preceding financial period.
3. The bases of belief (including sources of information and assumptions made) that support the anticipated cost synergies are set out in the following paragraphs. The estimate of synergies has been reported on in accordance with Rule 19.3(b)(ii) of the Irish Takeover Rules.

The expected sources of the anticipated annual pre-tax cost synergies include the benefits of:

- optimizing global back-office, manufacturing and distribution infrastructure; and
- elimination of redundant public company costs.

When evaluating the potential annual pre-tax annual cost synergies, the Medtronic Board has assumed the following:

- (a) That the Scheme will become effective and New Medtronic will acquire 100% of the issued and to be issued share capital of Medtronic and Covidien on completion of the Scheme and the Merger;
- (b) That there will be no material impact on New Medtronic arising from any decisions made by competition authorities;
- (c) That there will be no material change to the market dynamics affecting Medtronic and/or Covidien following the completion of the Scheme and the Merger;
- (d) That there will be no material change to exchange rates following completion of the Acquisition; and
- (e) There will be no material change to income tax laws or regulations affecting Medtronic and/or Covidien following completion of the Scheme and the Merger.

In establishing the estimate of recurring pre-tax cost synergies, the Medtronic Board has assumed that Covidien's operations, processes and procedures are comparable to those of Medtronic's related operations, except where publicly available information clearly indicates otherwise or the due diligence materials provided by Covidien to Medtronic indicated otherwise. Covidien's management, aided by its previous integration experience and through an understanding of Covidien's operations and cost structure based on their own market intelligence and experience, and due diligence materials provided by Covidien, has determined the source and scale of potential recurring after-tax annual operating expense and tax savings. In addition to information from Medtronic's and Covidien's respective management teams, the sources of information that Medtronic has used to arrive at the estimate of the anticipated annual pre-tax synergies, include:

- (a) Covidien's annual report and audited financial statements;
- (b) Covidien presentations;
- (c) Covidien's website;
- (d) Analysts' research;
- (e) Other public information; and
- (f) Medtronic's knowledge of the industry and of Covidien.

There remains an inherent risk in the synergy forward-looking statements. No synergy statement in this announcement, including any statement that the Scheme Transaction and the Merger will be accretive, should be construed as a profit forecast or interpreted to mean that New Medtronic earnings in the first full year following the Scheme and the Merger, or in any subsequent period, would necessarily match or be greater than or be less than those of Medtronic and/or Covidien for the relevant preceding financial period or any other period.

APPENDIX II

DEFINITIONS

The following definitions apply throughout this announcement unless the context otherwise requires:

“Acquisition” or “Transaction” means the proposed acquisition by New Medtronic and New Medtronic Sub of Covidien by means of the Scheme of Arrangement or a takeover offer (and any such Scheme of Arrangement or takeover offer as it may be revised, amended or extended from time to time) pursuant to the Transaction Agreement (whether by way of the Scheme of Arrangement or the takeover offer) (including the issuance by New Medtronic of the aggregate Consideration Shares and payment by New Medtronic and New Medtronic Sub of their respective portions of the aggregate Cash Consideration pursuant to the Scheme of Arrangement or the takeover offer), as described in this announcement and provided for in the Transaction Agreement;

“Act” means the Companies Act 1963, as amended;

“Acting in Concert” has the meaning given to that term in the Irish Takeover Panel Act 1997, as amended;

“Affiliate” means in relation to any person, another person that, directly or indirectly, controls, is controlled by, or is under common control with, such first person (as used in this definition, “control” (including, with its correlative meanings, “controlled by” and “under common control with”) shall mean the possession, directly or indirectly, of the power to direct or cause the direction of management or policies of a person, whether through the ownership of securities or partnership or other ownership interests, by contract or otherwise) (provided that (i) the Medtronic Merger Parties shall be deemed to be Affiliates of Medtronic for purposes of this announcement and (ii) prior to the Completion, the Medtronic Merger Parties shall not be deemed to be Affiliates of Covidien for purposes of this announcement);

“Antitrust Laws”, the United States Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the rules and regulations promulgated thereunder, and any other federal, state or foreign Law designed to prohibit, restrict or regulate actions for the purpose or effect of monopolisation, competition, antitrust or restraint of trade;

“Board of Medtronic” or “Medtronic Board” means the board of directors of Medtronic;

“Board of Covidien” or “Covidien Board” means the board of directors of Covidien;

“Business Day” means any day, other than a Saturday, Sunday or a day on which banks in Ireland or in the State of New York are authorised or required by law or executive order to be closed;

“Cancellation Shares” means the shares in Covidien that will be cancelled pursuant to the Scheme under sections 72 and 74 of the Act;

“Cash Consideration” means US\$35.19 per Covidien Share;

“Companies Acts” means the Irish Companies Acts 1963 to 2013 and all enactments which are to be read as one with, or construed or read together as one with, the Companies Acts and every statutory modification and re-enactment thereof for the time being in force;

“Completion” means the completion of the Scheme and the Merger in accordance with the terms and conditions of the Transaction Agreement;

“Concert Parties” means such persons as are deemed to be Acting in Concert with Medtronic or Covidien (as the context so requires) pursuant to Rule 3.3 of Part A of the Irish Takeover Rules;

“Conditions” means the conditions to the Scheme and the Acquisition set out in Appendix III of this announcement and **“Condition”** means any one of them;

“Consideration” means the Cash Consideration and the Consideration Shares due to a Covidien Shareholder;

“Consideration Shares” means the consideration of 0.956 New Medtronic Shares for each Covidien Share held;

“Court Meeting” means the meeting or meetings of the Covidien Shareholders (and any adjournment thereof) convened by order of the High Court pursuant to section 201 of the Act to consider and, if thought fit, approve the Scheme (with or without amendment);

“Court Meeting Resolution” means the resolution to be proposed at the Court Meeting for the purposes of approving and implementing the Scheme;

“Court Order” means the order or orders of the High Court sanctioning the Scheme under section 201 of the Act and confirming the reduction of capital that forms part of it under sections 72 and 74 of the Act;

“Covidien” means Covidien plc, a company incorporated in Ireland with registered number 466385 having its registered office at 1st Floor, 20 on Hatch, Hatch Street Lower, Dublin 2;

“Covidien Alternative Proposal” means any bona fide proposal or bona fide offer made by any person (other than a proposal or offer by Medtronic or any of its Concert Parties or any person Acting in Concert with Medtronic pursuant to Rule 2.5 of the Irish 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 stockholders of any person) of 20% or more of the outstanding Covidien Shares; or (iv) any merger, business combination, consolidation, share exchange, recapitalisation or similar transaction involving Covidien as a result of which the holders of Covidien 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;

“Covidien Articles” means the articles of association of Covidien in force from time to time;

“Covidien Employees” means the employees of Covidien or any Subsidiary of Covidien who remain employed after the Effective Time;

“Covidien Equity Award Holders” means holders of Covidien Options and/or Covidien Share Awards;

“Covidien Extraordinary General Meeting” or **“EGM”** means the extraordinary general meeting of the Covidien Shareholders (and any adjournment thereof) to be convened in connection with the Scheme, expected to be convened as soon as the preceding Court Meeting shall have been concluded or adjourned (it being understood that if the Court Meeting is adjourned, the EGM shall be correspondingly adjourned);

“Covidien Group” means Covidien and all of its Subsidiaries;

“Covidien Option” means an option to acquire Covidien Shares;

“Covidien Share Award” means an award denominated in Covidien Shares, other than a Covidien Option;

“Covidien Share Plan” means the Covidien Equity Incentive Plan;

“Covidien Shareholder Approval” means (i) the approval of the Scheme by a majority in number of the Covidien Shareholders representing three-fourths (75 per cent.) or more in value of the Covidien Shares held by such holders, present and voting either in person or by proxy, at the Court Meeting (or at any adjournment of such meeting) and (ii) the EGM Resolutions being duly passed by the requisite majorities of Covidien Shareholders at the Extraordinary General Meeting (or at any adjournment of such meeting);

“Covidien Shareholders” means the holders of Covidien Shares;

“Covidien Shares” means the ordinary shares par value of US\$0.20 each in the capital of Covidien and **“Covidien Share”** means any one of them;

“Covidien Superior Proposal” means a written Covidien Alternative Proposal made by any person that the Covidien Board determines in good faith (after consultation with Covidien’s financial advisor and outside legal counsel) is more favourable 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 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 shall be deemed to refer to “50%”);

“EC Merger Regulation” means Council Regulation (EC) No. 139/2004;

“Effective Date” means the date on which the Scheme becomes effective in accordance with its terms;

“Effective Time” means the time on the Effective Date at which the Court Order and a copy of the minute required by section 75 of the Act are registered by the Registrar of Companies;

“EGM Resolutions” means the resolutions to be proposed at the EGM for the purposes of approving and implementing the Scheme, the reduction of capital of Covidien, changes to the articles of association of Covidien and such other matters as Covidien reasonably determines to be necessary for the purposes of implementing the Acquisition or, subject to the consent of Medtronic (such consent not to be unreasonably withheld, conditioned or delayed), desirable for the purposes of implementing the Acquisition;

“End Date” means March 15, 2015; provided, that if as of such date all Conditions (other than (i) Conditions 2(c), 2(d), 3(c), 3(d) and 3(e) and (ii) Condition 3(g) (if, in the case of this clause (ii), the reason for the failure of such Condition is an injunction, order or prohibition under any Antitrust Law) have been satisfied (or, in the sole discretion of the applicable Party, waived (where applicable)) or would be satisfied (or, in the sole discretion of the applicable Party, waived (where applicable)) if the Acquisition were completed on such date, the **“End Date”** shall be 15 June 2015;

“Enlarged Group” means New Medtronic and its post-Acquisition Subsidiaries, which shall include Medtronic and Covidien;

“Exchange Act” means the United States Securities Exchange Act of 1934, as amended;

“Expenses Reimbursement Agreement” means expenses reimbursement agreement dated 15 June 2014 between Medtronic and Covidien, the terms of which have been approved by the Panel;

“Extraordinary General Meeting” or **“EGM”**, the extraordinary general meeting of the Covidien Shareholders (and any adjournment thereof) to be convened in connection with the Scheme, expected to be convened as soon as the preceding Court Meeting shall have been concluded or adjourned (it being understood that if the Court Meeting is adjourned, the EGM shall be correspondingly adjourned);

“Goldman Sachs” means Goldman, Sachs & Co., and affiliates including Goldman Sachs International;

“Group” means, in relation to any Party, such Party and its Subsidiaries;

“HSR Act” means the United States Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the rules and regulations promulgated thereunder;

“Ireland” means the island of Ireland, excluding Northern Ireland and the word “Irish” shall be construed accordingly;

“Irish High Court” or **“High Court”** means the High Court of Ireland;

“Irish Takeover Rules” means the Irish Takeover Panel Act 1997, Takeover Rules 2013;

“IRS” means the US Internal Revenue Service;

“Joint Proxy Statement/Prospectus” means the joint proxy statement of Covidien and Medtronic, which will

form a part of a registration statement on Form S-4 of New Medtronic, drawn up in accordance with the Securities Act, the Act and the Irish Takeover Rules in the name of New Medtronic and to be posted to Covidien Shareholders and mailed to Medtronic Shareholders and which shall contain, amongst other things, (i) the notice of the Medtronic Special Meeting (ii) the Scheme (iii) the notice or notices of the Court Meeting and EGM (iv) an explanatory statement as required by Section 202 of the Act with respect to the Scheme (v) such other information as may be required or necessary pursuant to the Act or the Irish Takeover Rules and (vi) such other information as Covidien and Medtronic shall agree;

“**Medtronic**” means Medtronic, Inc., a Minnesota corporation;

“**Medtronic Group**” means Medtronic and all of its Subsidiaries;

“**Medtronic Merger Parties**”, collectively New Medtronic, New Medtronic Sub, U.S. AcquisitionCo and MergerSub;

“**Medtronic Parties**” means Medtronic, New Medtronic, New Medtronic Sub, U.S. AcquisitionCo and MergerSub;

“**Medtronic Shareholders**” means the holders of Medtronic Shares;

“**Medtronic Shares**” means the common stock of Medtronic, par value US\$0.10 per share and “**Medtronic Share**” means any one of them;

“**Medtronic Special Meeting**” means the special meeting of Medtronic Shareholders to be convened in connection with the Acquisition, including any adjournment thereof;

“**Merger**” means the merger of MergerSub with and into Medtronic in accordance with the Transaction Agreement;

“**MergerSub**” means Aviation Merger Sub, LLC, a limited liability company organized in the State of Minnesota;

“**New Medtronic**” or “**Holdco**” means Kalani I Limited, a private limited company incorporated in Ireland with registered number 545333 having its registered office at 25-28 North Wall Quay, Dublin 1, Ireland, and which shall, prior to the Effective Date, be re-registered as a public limited company under the Companies Acts;

“**New Medtronic Shares**” means the ordinary shares of \$0.0001 each in the capital of New Medtronic and “**New Medtronic Share**” means any one of them;

“**New Medtronic Sub**” means Makani II Limited, a private limited company incorporated in Ireland with registered number 545354 and registered office at 25-28 North Wall Quay, Dublin 1, Ireland;

“**News Releases**” means news releases of the IRS;

“**Northern Ireland**” means the counties of Antrim, Armagh, Derry, Down, Fermanagh and Tyrone on the island of Ireland;

“**NYSE**” means the New York Stock Exchange;

“**Offer**” means that should Medtronic elect to make the Acquisition by way of a contractual offer as opposed to by way of a Scheme (subject to the consent of the Panel, if required), the offer to be made by Medtronic for Covidien, on the terms and subject to the Conditions set out in this announcement and to be set out in the formal offer document and where the context admits, any subsequent revision, variation, extension or renewal of such offer;

“**Offer Period**” has the meaning given to it in the Irish Takeover Rules;

“**Panel**” means the Irish Takeover Panel;

“**Parties**”, Covidien and the Medtronic Parties and “**Party**” shall mean either Covidien, on the one hand, or Medtronic or the Medtronic Parties (whether individually or collectively), on the other hand (as the context requires);

“**Perella Weinberg Partners LP**” means Perella Weinberg Partners LP;

"Performance Share Units" means performance share units awarded to employees of Covidien and its subsidiaries to acquire, subject to meeting the relevant performance criteria, ordinary shares in Covidien upon vesting;

"Registrar of Companies" means the Registrar of Companies in Dublin, Ireland;

"Restricted Jurisdiction" means the jurisdictions in which the release, publication or distribution of this announcement may be restricted by the laws of those jurisdictions;

"Restricted Stock Units" restricted share units awarded to employees of Covidien and its subsidiaries which entitle the holder to acquire ordinary shares in Covidien upon satisfaction of the vesting conditions;

"Rule 2.5 Announcement" means this announcement issued pursuant to Rule 2.5 of the Irish Takeover Rules;

"Scheme" or **"Scheme of Arrangement"** means the proposed scheme of arrangement under section 201 of the Act and the capital reduction under sections 72 and 74 of the Act to effect the Acquisition pursuant to the Transaction Agreement, in such terms and form as the Parties, acting reasonably, mutually agree, including any revision thereof as may be agreed between the Parties in writing;

"Scheme Circular" means the scheme circular of Covidien, which will form a part of a registration statement on Form S-4 of New Medtronic, drawn up in accordance with the Securities Act, the Exchange Act, the Act and the Irish Takeover Rules in the name of New Medtronic and to be posted to Covidien Shareholders and Medtronic Shareholders and which shall contain, amongst other things, (i) the notice of the Medtronic Special Meeting (ii) the Scheme (iii) the notice or notices of the Court Meeting and EGM (iv) an explanatory statement as required by section 202 of the Act with respect to the Scheme (v) such other information as may be required or necessary pursuant to the Act or the Irish Takeover Rules and (vi) such other information as Covidien and Medtronic shall agree;

"Scheme Recommendation" means the recommendation of the Covidien Board that Covidien Shareholders vote in favour of the Scheme;

"SEC" means the United States Securities and Exchange Commission;

"Securities Act" means the United States Securities Act of 1933, as amended;

"Subsidiary" means, in relation to any person, any corporation, partnership, association, trust or other form of legal entity of which such person directly or indirectly owns securities or other equity interests representing more than 50% of the aggregate voting power (provided that the Medtronic Merger Parties shall be deemed to be Subsidiaries of Medtronic for the purposes of the Transaction Agreement);

"Transaction Agreement" means the Transaction Agreement dated 15 June 2014 between Medtronic, New Medtronic, New Medtronic Sub, US AcquisitionCo, MergerSub and Covidien in relation to the implementation of the Scheme and the Acquisition;

"United States" or **"US"** means the United States, its territories and possessions, any State of the United States and the District of Columbia, and all other areas subject to its jurisdiction;

"US AcquisitionCo" means Aviation Acquisition Co., Inc., a corporation incorporated in the State of Minnesota; and

"Voting Record Time" means the time and date to be specified as the voting record time for the Court Meeting (or any adjournment thereof) in the Scheme Circular.

All amounts contained within this document referred to by "\$" and "c" refer to the US dollar and US cents.

Any references to any provision of any legislation shall include any amendment, modification, re-enactment or extension thereof. Any reference to any legislation is to Irish legislation unless specified otherwise.

Words importing the singular shall include the plural and vice versa and words supporting the masculine shall include the feminine or neuter gender.

APPENDIX III

CONDITIONS OF THE ACQUISITION AND THE SCHEME

The Acquisition and the Scheme will comply with the Takeover Rules and, where relevant, the rules and regulations of the Exchange Act and the NYSE, and are subject to the terms and conditions set out in this announcement and to be set out in the Scheme Document. The Acquisition and the Scheme are, to the extent required by the Laws of Ireland, governed by the Laws of Ireland.

The Acquisition and the Scheme will be subject to the following conditions:

1. The Acquisition will be conditional upon the Scheme becoming effective and unconditional by not later than June 15, 2015 (or such earlier date as may be specified by the Panel, or such later date as Medtronic and Covidien may, with (if required) the consent of the Panel, agree and (if required) the High Court may allow).
2. The Scheme will be conditional upon:
 - (a) the approval of the Scheme by a majority in number of the Covidien Shareholders representing three-fourths (75 per cent) or more in value of the Covidien Shares, at the Voting Record Time, held by such holders, present and voting either in person or by proxy, at the Court Meeting (or at any adjournment of such meeting) held no later than the End Date;
 - (b) the EGM Resolutions being duly passed by the requisite majority of Covidien Shareholders at the Extraordinary General Meeting (or at any adjournment of such meeting) held no later than the End Date;
 - (c) the sanction by the High Court (without material modification) of the Scheme pursuant to Section 201 of the Act and the confirmation of the reduction of capital involved therein by the High Court on or before the End Date (the date on which the condition in this paragraph 2(c) is satisfied, the "**Sanction Date**"); and
 - (d) office copies of the Court Order and the minute required by Section 75 of the Act in respect of the reduction (referred to in paragraph 2(c)) being delivered for registration to the Registrar of Companies and registration of the Court Order and minute confirming the reduction of capital involved in the Scheme by the Registrar of Companies.
3. The Medtronic Parties and Covidien have agreed that, subject to paragraph 6 of this Appendix III, the Acquisition will also be conditional upon the following matters having been satisfied or waived on or before the Sanction Date:
 - (a) the adoption of the plan of merger set forth in the Transaction Agreement by the holders of a majority of the outstanding Medtronic Shares as required by the MBCA and Article I of the Medtronic Bylaws;
 - (b) the NYSE shall have authorised, and not withdrawn such authorisation, for listing all of the Share Consideration to be issued in the Acquisition and all of the Holdco Shares to be delivered pursuant to the Merger subject to satisfaction of any conditions to which such approval is expressed to be subject;
 - (c) the applicable waiting periods under the HSR Act in connection with the Acquisition and/or the Merger shall have expired or been terminated;
 - (d) to the extent that the Acquisition constitutes a concentration within the scope of the EC Merger Regulation or is otherwise a concentration that is subject to the EC Merger Regulation, 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;

- (e) all required Clearances shall have been obtained and remain in full force and effect and all applicable waiting periods shall have 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;
- (f) the Form S-4 shall have become effective under the Securities Act and shall not be the subject of any stop order or proceedings initiated by the United States Securities and Exchange Commission seeking any stop order;
- (g) no (i) Law, (ii) injunction, restraint or prohibition by any court of competent jurisdiction or (iii) injunction, order or prohibition under any Antitrust Law by any Relevant Authority which prohibits consummation of the Acquisition or the Merger shall have been enacted or entered and shall continue to be in effect;
- (h) 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 Code (or any other U.S. Tax Law), or official interpretation thereof as set forth in published guidance by the IRS (other than News Releases) (whether or not such change in official interpretation is yet effective), and there shall have 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 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 Holdco to be treated as a United States domestic corporation for United States federal income tax purposes; and
- (i) the Transaction Agreement shall not have been terminated in accordance with its terms.

4. The Medtronic Parties and Covidien have agreed that, subject to paragraph 6 of this Appendix III, the Medtronic Parties' obligation to effect the Acquisition will also be conditional upon the following matters having been satisfied (or waived by Medtronic) on or before the Sanction Date:

- (a) (i) the representations and warranties of Covidien set forth in the Transaction Agreement which are identified in Annex B, Schedule 1, Section A shall be true and correct in all material respects at and as of the date of the Transaction Agreement and at and as of the Sanction Date as though made at and as of the Sanction Date and the representations and warranties of Covidien set forth in the Transaction Agreement which are identified in Annex B, Schedule 1, Section B shall be true and correct other than as would not materially impede or prevent the consummation of the Acquisition at and as of the date of the Transaction Agreement and at and as of the Sanction Date as though made at and as of the Sanction Date (the representations and warranties referred to in this clause (i), the "**Specified Covidien Representations**"),
- (ii) the representations and warranties of Covidien set forth in the Transaction Agreement (other than the Specified Covidien Representations) which are qualified by a "Covidien Material Adverse Effect" qualification and which are identified in Annex B, Schedule 1, Section C shall be

true and correct in all respects as so qualified at and as of the date of the Transaction Agreement and at and as of the Sanction Date as though made at and as of the Sanction Date, and

(iii) the representations and warranties of Covidien set forth in the Transaction Agreement (other than the Specified Covidien Representations) which are not qualified by a "Covidien Material Adverse Effect" qualification and which are identified in Annex B, Schedule 1, Section D shall be true and correct at and as of the date of the Transaction Agreement and at and as of the Sanction Date as though made at and as of the Sanction Date, except for such failures to be true and correct as would not, individually or in the aggregate, reasonably be expected to have a Covidien Material Adverse Effect;

provided that with respect to clauses (i), (ii) and (iii) hereof, representations and warranties that expressly relate to a particular date or period shall be true and correct (in the manner set forth in clause (i), (ii) or (iii), as applicable), only with respect to such date or period;

- (b) Covidien shall have in all material respects performed all obligations and complied with all covenants required by the Transaction Agreement to be performed or complied with by it prior to the Sanction Date; and
- (c) Covidien shall have delivered to Medtronic a certificate, dated as of the Sanction Date and signed by an executive officer of Covidien, certifying on behalf of Covidien to the effect that the conditions set forth in paragraphs 4(a) and 4(b) have been satisfied.

5. The Medtronic Parties and Covidien have agreed that, subject to paragraph 6 of this Appendix III, Covidien's obligation to effect the Acquisition will also be conditional upon the following matters having been satisfied (or waived by Covidien) on or before the Sanction Date:

- (a) (i) the representations and warranties of Medtronic set forth in the Transaction Agreement which are identified in Annex B, Schedule 2, Section A shall be true and correct in all material respects at and as of the date of the Transaction Agreement and at and as of the Sanction Date as though made at and as of the Sanction Date and the representations and warranties of Medtronic set forth in the Transaction Agreement which are identified in Annex B, Schedule 2, Section B shall be true and correct other than as would not materially impede or prevent the consummation of the Acquisition at and as of the date of the Transaction Agreement and at and as of the Sanction Date as though made at and as of the Sanction Date (the representations and warranties referred to in this clause (i), the "**Specified Medtronic Representations**"),

(ii) the representations and warranties of Medtronic set forth in the Transaction Agreement (other than the Specified Medtronic Representations) which are qualified by a "Medtronic Material Adverse Effect" qualification and which are identified in Annex B, Schedule 2, Section C shall be true and correct in all respects as so qualified at and as of the date of the Transaction Agreement and at and as of the Sanction Date as though made at and as of the Sanction Date, and

(iii) the representations and warranties of Medtronic set forth in the Transaction Agreement (other than the Specified Medtronic Representations) which are not qualified by a "Medtronic Material Adverse Effect" qualification and which are identified in Annex B, Schedule 2, Section D shall be true and correct at and as of the date of the Transaction Agreement and at and as of the Sanction Date as though made at and as of the Sanction Date, except for such failures to be true and correct as would not, individually or in the aggregate, reasonably be expected to have a Medtronic Material Adverse Effect;

provided that with respect to clauses (i), (ii) and (iii) hereof, representations and warranties that expressly relate to a particular date or period shall be true and correct (in the manner set forth in clause (i), (ii) or (iii), as applicable), only with respect to such date or period;

- (b) the Medtronic Parties shall have in all material respects performed all obligations and complied with all covenants required by the Transaction Agreement to be performed or complied with by them prior to the Sanction Date; and
- (c) Medtronic shall have delivered to Covidien a certificate, dated as of the Sanction Date and signed by an executive officer of Medtronic, certifying on behalf of Medtronic to the effect that the conditions set forth in paragraphs 5(a) and 5(b) have been satisfied.

6. Subject to the requirements of the Panel:

- (a) Medtronic and Covidien reserve the right (but shall be under no obligation) to waive (to the extent permitted by applicable Law), in whole or in part, all or any of the conditions in paragraph 3 (provided that both Parties agree to any such waiver);
- (b) Medtronic reserves the right (but shall be under no obligation) to waive, in whole or in part, all or any of the conditions in paragraph 4; and
- (c) Covidien reserves the right (but shall be under no obligation) to waive, in whole or in part, all or any of the conditions in paragraph 5.

7. The Scheme will lapse unless it is effective on or prior to June 15, 2015.

8. If Medtronic is required to make an offer for Covidien Shares under the provisions of Rule 9 of the Takeover Rules, Medtronic may make such alterations to any of the conditions set out in paragraphs 1, 2, 3, 4 and 5 above as are necessary to comply with the provisions of that rule.

9. Medtronic reserves the right, subject to the prior written approval of the Panel, to effect the Acquisition by way of a takeover offer in the circumstances described in and subject to the terms of Clause 3.6 of the Transaction Agreement. Without limiting Clause 3.6 of the Transaction Agreement, in such event, such offer will be implemented on terms and conditions that are at least as favourable to the Covidien Shareholders (except for an acceptance condition set at 80 per cent of the nominal value of the Covidien Shares to which such an offer relates and which are not already in the beneficial ownership of Medtronic so far as applicable) as those which would apply in relation to the Scheme.

10. As required by Rule 12(b)(i) of the 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 shall, 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 Court Meeting.

Annex B

Schedule 1, Section A

| Transaction Agreement Clause Reference |
|-------------------------------------------------------------------------------------------|
| Clause 6.1(b)(i) (Capital) |
| Clause 6.1(b)(ii) (to the extent relating to shares in the capital of Covidien) (Capital) |
| Clause 6.1(v) (Finders or Brokers) |

Schedule 1, Section B

| Transaction Agreement Clause Reference |
|---------------------------------------------------------------------------------|
| Clause 6.1(c)(i) (Corporate Authority Relative to this Agreement; No Violation) |
| Clause 6.1(x) (Takeover Statutes) |

Schedule 1, Section C

| Transaction Agreement Clause Reference |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| The first and third sentences of Clause 6.1(a) (Qualification, Organisation, Subsidiaries, etc.) |
| Clause 6.1(c)(ii) and Clause 6.1(c)(iii) (other than subclause (B) as it relates to "Significant Subsidiaries") (Corporate Authority Relative to this Agreement; No Violation) |
| The first sentence of Clause 6.1(f) (No Undisclosed Liabilities) |
| Clause 6.1(g) (Compliance with Law; Permits) |
| Clause 6.1(h) (Environmental Laws and Regulations) |
| Clause 6.1(i)(i) and the first sentence of Clause 6.1(i)(ii) (Employee Benefit Plans) |
| The second sentence of Clause 6.1(j) (Absence of Certain Changes or Events) |
| Clause 6.1(k) (Investigations; Litigation) |
| Clause 6.1(m)(i), Clause 6.1(m)(ii), Clause 6.1(m)(iv), the first sentence of Clause 6.1(m)(vi) and Clause 6.1(m)(vii) (Regulatory Matters) |
| Clause 6.1(n) (Tax Matters) |
| The second and third sentences of Clause 6.1(o)(i) and all of Clause 6.1(o)(ii) (Labour Matters) |
| Clause 6.1(p) (Intellectual Property) |
| Clause 6.1(q) (Real Property) |

| |
|----------------------------------------|
| Clause 6.1(t)(ii) (Material Contracts) |
| Clause 6.1(u) (Insurance) |

Schedule 1, Section D

| Transaction Agreement Clause Reference |
|------------------------------------------------------------------------------------------------------------------------------------------|
| The second sentence and subclause (i) of Clause 6.1(a) (Qualification, Organisation, Subsidiaries, etc.) |
| Clause 6.1(b)(ii) (to the extent not relating to shares in the capital of Covidien), Clause 6.1(b)(iii) and Clause 6.1(b)(iv) (Capital) |
| Clause 6.1(c)(iii)(B) (as it relates to "Significant Subsidiaries") (Corporate Authority Relative to this Agreement; No Violation) |
| Clause 6.1(d) (Reports and Financial Statements) |
| Clause 6.1(e) (Internal Controls and Procedures) |
| The second sentence of Clause 6.1(f) (No Undisclosed Liabilities) |
| The second sentence of Clause 6.1(i)(ii), all of Clause 6.1(i)(iii) and all of Clause 6.1(i)(iv) (Employee Benefit Plans) |
| The first and third sentences of Clause 6.1(j) (Absence of Certain Changes or Events) |
| Clause 6.1(l) (Information Supplied) |
| Clause 6.1(m)(iii), Clause 6.1(m)(v), Clause 6.1(m)(vi) (except the first sentence thereof) and Clause 6.1(m)(viii) (Regulatory Matters) |
| The first sentence of Clause 6.1(o)(i) (Labour Matters) |
| Clause 6.1(r) (Opinion of Financial Advisor) |
| Clause 6.1(s) (Required Vote of Covidien Shareholders) |
| Clause 6.1(t)(i) (Material Contracts) |
| Clause 6.1(w) (FCPA and Anti-Corruption) |

Schedule 2, Section A

| Transaction Agreement Clause Reference |
|-------------------------------------------------------------------------------------------------------------|
| Clause 6.2(a)(ii)(B) (authorized share capital of Holdco) (Qualification, Organization, Subsidiaries, etc.) |
| Clause 6.2(b)(i) (Capital Stock) |

| |
|----------------------------------------------------------------------------------------|
| Clause 6.2(b)(ii) (to the extent relating to the capital stock of Medtronic) (Capital) |
| Clause 6.2(v) (Finders or Brokers) |

Schedule 2, Section B

| Transaction Agreement Clause Reference |
|---------------------------------------------------------------------------------|
| Clause 6.2(c)(i) (Corporate Authority Relative to this Agreement; No Violation) |
| Clause 6.2(y) (Takeover Statutes) |

Schedule 2, Section C

| Transaction Agreement Clause Reference |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| The first and third sentences and the last sentence of subclause (ii)(C) of Clause 6.2(a) (Qualification, Organisation, Subsidiaries, etc.) |
| Clause 6.2(c)(ii) and Clause 6.2(c)(iii) (other than subclause (B) as it relates to "Significant Subsidiaries" or "Medtronic Merger Parties") (Corporate Authority Relative to this Agreement; No Violation) |
| The first sentence of Clause 6.2(f) (No Undisclosed Liabilities) |
| Clause 6.2(g) (Compliance with Law; Permits) |
| Clause 6.2(h) (Environmental Laws and Regulations) |
| Clause 6.2(i)(i) and the first sentence of Clause 6.2(i)(ii) (Employee Benefit Plans) |
| The second sentence of Clause 6.2(j) (Absence of Certain Changes or Events) |
| Clause 6.2(k) (Investigations; Litigation) |
| Clause 6.2(m)(i), Clause 6.2(m)(ii), Clause 6.2(m)(iv), the first sentence of Clause 6.2(m)(vi) and Clause 6.2(m)(vii) (Regulatory Matters) |
| Clause 6.2(n) (Tax Matters) |
| The second and third sentences of Clause 6.2(o)(i) and all of Clause 6.1(o)(ii) (Labour Matters) |
| Clause 6.2(p) (Intellectual Property) |
| Clause 6.2(q) (Real Property) |
| Clause 6.2(t)(ii) (Material Contracts) |
| Clause 6.2(u) (Insurance) |

Schedule 2, Section D

| Transaction Agreement Clause Reference |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| The second sentence and subclauses (i) and (ii) (other than subclause (ii)(B) and the last sentence of subclause (ii)(C)) of Clause 6.2(a) (Qualification, Organisation, Subsidiaries, etc.) |
| Clause 6.2(b)(ii) (to the extent not relating to the capital stock of Medtronic), Clause 6.2(b)(iii) and Clause 6.2(b)(iv) (Capital) |
| Clause 6.2(c)(iii)(B) (as it relates to “Significant Subsidiaries” and “Medtronic Merger Parties”) (Corporate Authority Relative to this Agreement; No Violation) |
| Clause 6.2(d) (Reports and Financial Statements) |
| Clause 6.2(e) (Internal Controls and Procedures) |
| The second sentence of Clause 6.2(f) (No Undisclosed Liabilities) |
| The second sentence of Clause 6.2(i)(ii) and all of Clause 6.2(i)(iii) (Employee Benefit Plans) |
| The first sentence of Clause 6.2(j) (Absence of Certain Changes or Events) |
| Clause 6.2(l) (Information Supplied) |
| Clause 6.2(m)(iii), Clause 6.2(m)(v), Clause 6.2(m)(vi) (except the first sentence thereof) and Clause 6.2(m)(viii) (Regulatory Matters) |
| The first sentence of Clause 6.2(o)(i) (Labour Matters) |
| Clause 6.2(r) (Opinion of Financial Advisor) |
| Clause 6.2(s) (Required Vote of Medtronic Shareholders) |
| Clause 6.2(t)(i) (Material Contracts) |
| Clause 6.2(w) (Financing) |
| Clause 6.2(x) (FCPA and Anti-Corruption) |

For the purpose of these conditions, capitalized terms shall have the meanings set forth in Appendix II to this announcement, as set forth above in these conditions and:

“**Antitrust Laws**”, the HSR Act and any other federal, state or foreign Law designed to prohibit, restrict or regulate actions for the purpose or effect of monopolisation, competition, antitrust or restraint of trade;

“**Clearances**”, all consents, clearances, approvals, permissions, permits, nonactions, orders and waivers to be obtained from, and all registrations, applications, notices and filings to be made with or provided to, any Relevant Authority or other third party in connection with the implementation of the Merger, the Scheme and/or the Acquisition;

“**Covidien Material Adverse Effect**”, such event, development, occurrence, state of facts or change that has (1) a material adverse effect on the ability of the Covidien Group to consummate the transactions contemplated by the Transaction Agreement or (2) a material adverse effect on the business, operations or financial condition of

Covidien and its Subsidiaries, taken as a whole, but, in the case of this clause (2), shall not include (a) events, developments, occurrences, states of facts or changes to the extent arising from (i) changes generally affecting the medical device or medical supplies industries or the segments thereof in which Covidien and its Subsidiaries operate in the United States or elsewhere, (ii) changes generally affecting the economy or the financial, debt, credit or securities markets, in the United States or elsewhere, (iii) changes in any political conditions or developments in general, or resulting from any outbreak or escalation of hostilities, declared or undeclared acts of war or terrorism (other than any of the foregoing to the extent that it causes any direct damage or destruction to or renders physically unusable or inaccessible any facility or property of Covidien or any of its Subsidiaries), (iv) changes or proposed changes in Law (including rules and regulations), interpretations thereof, regulatory conditions or U.S. GAAP or other accounting standards (or interpretations thereof) (provided, that in each of the foregoing clauses (i)-(iv), such events may be taken into account to the extent Covidien is disproportionately affected relative to other similarly situated companies) or (v) actions of Covidien or any of its Subsidiaries which Medtronic has expressly requested in writing; or (b) any decline in the stock price of the Covidien Shares 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 Covidien Material Adverse Effect); or (c) any events, developments, occurrences, states of facts or changes resulting from the announcement or the existence of the Transaction Agreement or the transactions contemplated thereby or the performance of and the compliance with the Transaction Agreement, including any litigation arising therefrom or with respect thereto (except that this clause (c) shall not apply with respect to Covidien's representations and warranties in Clause 6.1(c)(iii) of the Transaction Agreement);

"EGM Resolutions", the resolutions to be proposed at the EGM for the purposes of approving and implementing the Scheme, the reduction of capital of Covidien, changes to the articles of association of Covidien and such other matters as Covidien reasonably determines to be necessary or desirable for the purposes of implementing the Acquisition as have been approved by Medtronic (such approval not to be unreasonably withheld, conditioned or delayed);

"End Date", March 15, 2015; provided, that if as of such date all conditions (other than (i) the conditions set forth in paragraphs 2(c), 2(d), 3(c), 3(d) and 3(e) and (ii) the condition set forth in paragraph 3(g) (if, in the case of this clause (ii), the reason for the failure of such condition is an injunction, order or prohibition under any Antitrust Law) in each case of Appendix III of the announcement to be made by the Parties pursuant to Rule 2.5 of the Takeover Rules) of the Transaction Agreement have been satisfied (or, in the sole discretion of the applicable Party, waived (where applicable)) or would be satisfied (or, in the sole discretion of the applicable Party, waived (where applicable)) if the Acquisition were completed on such date, the **"End Date"** shall be June 15, 2015;

"Form S-4", a registration statement on Form S-4 (of which the Joint Proxy Statement will form a part) with respect to the issuance of Holdco Shares in respect of the Scheme and Merger;

"Holdco Shares", the ordinary shares of nominal value US\$0.0001 each in the capital of Holdco;

"HSR Act", the United States Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the rules and regulations promulgated thereunder;

"Law", any federal, state, local, foreign or supranational law, statute, ordinance, rule, regulation, judgment, order, injunction, decree, agency requirement, license or permit of any Relevant Authority;

"Medtronic Material Adverse Effect", such event, development, occurrence, state of facts or change that has (1) a material adverse effect on the ability of the Medtronic Group and the Medtronic Parties to consummate the transactions contemplated by the Transaction Agreement or (2) a material adverse effect on the business, operations or financial condition of Medtronic and its Subsidiaries, taken as a whole, but, in the case of this clause (2), shall not include (a) events, developments, occurrences, states of facts or changes to the extent arising from (i) changes generally affecting the medical device industry or the segments thereof in which Medtronic and its Subsidiaries operate in the United States or elsewhere, (ii) changes generally affecting the economy or the financial, debt, credit or securities markets, in the United States or elsewhere, (iii) changes in any political conditions or developments in general, or resulting from any outbreak or escalation of hostilities, declared or undeclared acts of war or terrorism (other than any of the foregoing to the extent that it causes any direct damage or destruction to or renders physically unusable or inaccessible any facility or property of Medtronic or any of its Subsidiaries), (iv) changes or proposed changes in Law (including rules and regulations), interpretations thereof,

regulatory conditions or U.S. GAAP or other accounting standards (or interpretations thereof) (provided, that in each of the foregoing clauses (i)-(iv), such events may be taken into account to the extent Medtronic is disproportionately affected relative to other similarly situated companies) or (v) actions of Medtronic or any of its Subsidiaries which Covidien has expressly requested in writing; or (b) any decline in the stock price of the Medtronic Shares 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 Medtronic Material Adverse Effect); or (c) any events, developments, occurrences, states of facts or changes resulting from the announcement or the existence of the Transaction Agreement or the transactions contemplated thereby or the performance of and the compliance with the Transaction Agreement, including any litigation resulting therefrom or with respect thereto (except that this clause (c) shall not apply with respect to Medtronic's representations and warranties in Clause 6.2(c)(iii) of the Transaction Agreement);

"Medtronic Merger Parties", collectively Holdco, IrSub, U.S. AcquisitionCo and MergerSub;

"Medtronic Parties", collectively, Medtronic, Holdco, IrSub, U.S. AcquisitionCo and MergerSub;

"Parties", Covidien and the Medtronic Parties and **"Party"** shall mean either Covidien, on the one hand, or Medtronic or the Medtronic Parties (whether individually or collectively), on the other hand (as the context requires);

"Relevant Authority", any Irish, United States, foreign or supranational, federal, state or local governmental commission, board, body, division, political subdivision, bureau or other regulatory authority, agency, including courts and other judicial bodies, or any competition, antitrust or supervisory body, central bank, public international organization or other governmental, trade or regulatory agency or body, securities exchange or any self-regulatory body or authority, including any instrumentality or entity designed to act for or on behalf of the foregoing, in each case, in any jurisdiction, including, for the avoidance of doubt, the Panel, the High Court and the U.S. Securities and Exchange Commission;

"Scheme Document", a document (or the relevant sections of the Joint Proxy Statement comprising the scheme document) (including any amendments or supplements thereto) to be distributed to Covidien Shareholders and, for information only, to Covidien Equity Award Holders containing (i) the Scheme, (ii) the notice or notices of the Court Meeting and EGM, (iii) an explanatory statement as required by Section 202 of the Act with respect to the Scheme, (iv) such other information as may be required or necessary pursuant to the Act or the Takeover Rules and (v) such other information as Covidien and Medtronic shall agree;

"Share Consideration", 0.956 of a Holdco Share, US\$35.19 and any cash in lieu of a fraction of a Holdco Share to be distributed pursuant to Clause 8.1(c)(i)(B) of the Transaction Agreement; and

"U.S. GAAP", U.S. generally accepted accounting principles.

APPENDIX IV

Report of PricewaterhouseCoopers pursuant to Rule 19.3(b)(ii) of the Irish Takeover Rules

The Directors
Medtronic, Inc.
710 Medtronic Parkway
Minneapolis, MN 55432-5604

Perella Weinberg Partners (the “**Financial Adviser**”)
767 Fifth Avenue
New York NY 10153

15 June 2014

Medtronic, Inc.: Recommended Offer to Acquire Covidien plc

We report on the potential cost savings and operational synergies statement (the “**Statement**”) by the directors of Medtronic, Inc. (the “**Company**”) set out in Section 7 of the Rule 2.5 Announcement (the “**Announcement**”) dated 15 June 2014, to the effect that:

“The combination is expected to result in at least \$850 million of annual pre-tax cost synergies by the end of fiscal year 2018. These synergies include the benefits of optimizing global back-office, manufacturing and distribution infrastructure, as well as the elimination of redundant public company costs. The estimate excludes any potential revenue synergies.”

The Statement has been made in the context of disclosure in Appendix I of the Announcement setting out the basis of the belief of the Directors of the Company (the “**Directors**”) supporting the Statement and their analysis and explanation of the underlying constituent elements.

This report is required by Rule 19.3(b)(ii) of the Irish Takeover Panel Act 1997, Takeover Rules, 2013 (the “**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 to make the Statement in accordance with the Rules.

It is our responsibility and that of the Financial Adviser to form our respective opinions as required by Rule 19.3(b)(ii) of the Rules, as to whether the Statement has been made by the Directors with due care and consideration.

Save for any responsibility which we may have to those persons to whom this report is expressly addressed and for any responsibility arising under Rule 19.3(b)(ii) of the Rules to any person as and to the extent therein provided, 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 or our statement, required by and given solely for the purposes of complying with Rule 19.3(b)(ii) of the Rules, consenting to its inclusion in the Announcement.

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. We have discussed the Statement together with the relevant bases of belief (including sources of information and assumptions) with the Directors of the Company and with the Financial Adviser. Our work did not involve any independent examination of any of the financial or other information underlying the Statement.

Since the Statement and the assumptions on which it is based relate to the future and may therefore be affected by unforeseen events, we can express no opinion as to whether the actual benefits achieved will correspond to those anticipated in the Statement and the differences may be material.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in the United States of America or other jurisdictions 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, on the basis of the foregoing, the Directors have made the Statement, in the form and context in which it is made, with due care and consideration.

Yours sincerely

/s/ PricewaterhouseCoopers

PricewaterhouseCoopers

APPENDIX V

Report of Perella Weinberg Partners LP pursuant to Rule 19.3(b)(ii) of the Irish Takeover Rules

The Directors
Medtronic, Inc.
710 Medtronic Parkway
Minneapolis, MN 55432-5604

15 June 2014

Dear Sirs

Proposed acquisition of Covidien plc (“Covidien”) by Medtronic, Inc. (“Medtronic”)

We refer to the statements of estimated cost synergies, the bases of preparation thereof and the notes thereto (together the “**Statements**”) made by Medtronic set out in this announcement dated 15 June 2014, for which the directors of Medtronic are solely responsible.

We have discussed the Statements (including the assumptions and sources of information referred to therein) with the directors of Medtronic and those officers and employees of Medtronic who have developed the underlying plans.

The Statements are subject to uncertainty as described in this document and our work did not involve any independent examination of any of the financial or other information underlying the Statements.

We have relied upon the accuracy and completeness of all the financial and other information discussed or reviewed by us and we have assumed such accuracy and completeness for the purposes of rendering this letter. In giving the confirmation set out in this letter, we have reviewed the work carried out by PricewaterhouseCoopers and have discussed with them the conclusions stated in their report dated 15 June 2014 addressed to yourselves and ourselves in this matter.

We do not express any opinion as to the achievability of the merger benefits identified by the directors of Medtronic in the Statements.

This letter is provided solely to the directors of Medtronic in connection with Rule 19.3(b)(ii) of the Irish Takeover Panel Act, 1997, Takeover Rules 2013 and for no other purpose. We accept no responsibility to Covidien or its or Medtronic’s shareholders or any other person, other than the directors of Medtronic in respect of the contents of, or any matter arising out of or in connection with, this letter or the work undertaken in connection with this letter.

On the basis of the foregoing, we consider that the Statements, for which the directors of Medtronic are solely responsible, have been made with due care and consideration in the form and context in which they are made.

Yours faithfully

/s/ Philippe McAuliffe

**Authorised Signatory
For and on behalf of
Perella Weinberg Partners LP**

APPENDIX VI

The Transaction Agreement