



COVIDIEN

JP Morgan 28th Annual Healthcare Conference

Rich Meelia | Chairman, President and CEO

Forward-Looking Statements

This presentation contains certain “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995. These statements are based on management’s current expectations and are subject to risks, uncertainty and changes in circumstances, which may cause actual results, performance or achievements to differ materially from anticipated results, performance or achievements. All statements contained herein that are not clearly historical in nature are forward-looking and the words “anticipate,” “believe,” “expect,” “estimate,” “plan,” and similar expressions are generally intended to identify forward-looking statements.

The forward-looking statements in this presentation may include statements addressing the following subjects: future financial condition and operating results, economic, business, competitive and/or regulatory factors affecting our business. Any of the following factors may affect our future results:

- Our ability to effectively introduce and market new products or keep pace with advances in technology
- The reimbursement practices of a small number of large public and private insurers
- Cost-containment efforts of customers, purchasing groups, third-party payers and governmental organizations
- Intellectual property rights disputes
- Complex and costly regulation, including healthcare fraud and abuse regulations
- Manufacturing or supply chain problems or disruptions
- Recalls or safety alerts and negative publicity relating to Covidien or its products
- Product liability losses and other litigation liability
- Prices for oil, gas and other commodities

Forward-Looking Statements (cont.)

- **Divestitures of some of our businesses or product lines**
- **Our ability to execute strategic acquisitions of, investments in or alliances with other companies and businesses**
- **Competition**
- **Risks associated with doing business outside of the United States**
- **Foreign currency exchange rates**
- **Potential environmental liabilities**
- **Implementation of the ongoing reorganization of our operating structure**

These are examples of factors, among others, that could cause actual results to differ materially from those described in the forward-looking statements. In addition, our historical combined financial information prior to June 29, 2007 is not necessarily representative of the results we would have achieved as an independent, publicly-traded company and may not be a reliable indicator of our future results. We are under no obligation to (and expressly disclaim any such obligation to) update or alter our forward-looking statements whether as a result of new information, future events or otherwise. More detailed information about these and other factors is set forth in Covidien's Annual Report on Form 10-K and other periodic filings with the SEC.

Key Accomplishments Since Spin

Delivered sales and operating income in line with guidance

Invested in growth (selling, marketing, R&D) at the expense of short-term earnings

Managed portfolio for increased value through strategic acquisitions, new product development and selling/pruning underperforming assets

Increased gross margin through mix improvements, cost reductions and pricing initiatives

Implemented tax planning strategies to lower tax rate

Initiated share repurchase program; 12.5% dividend increase

Financial Accomplishments Since Spin

(\$ Millions)

	2006	2009
Operational Sales Growth**	2%	5%
Gross Margin	46.5%	53.8%
Tax Rate	31%*	25%
Free Cash Flow**	\$903	\$1,463
R&D % of Net Sales	2.7%	4.1%
Net Debt	\$3,216*	\$1,524

2006 not restated for subsequent discontinued operations.

* At time of launch (6/29/07)

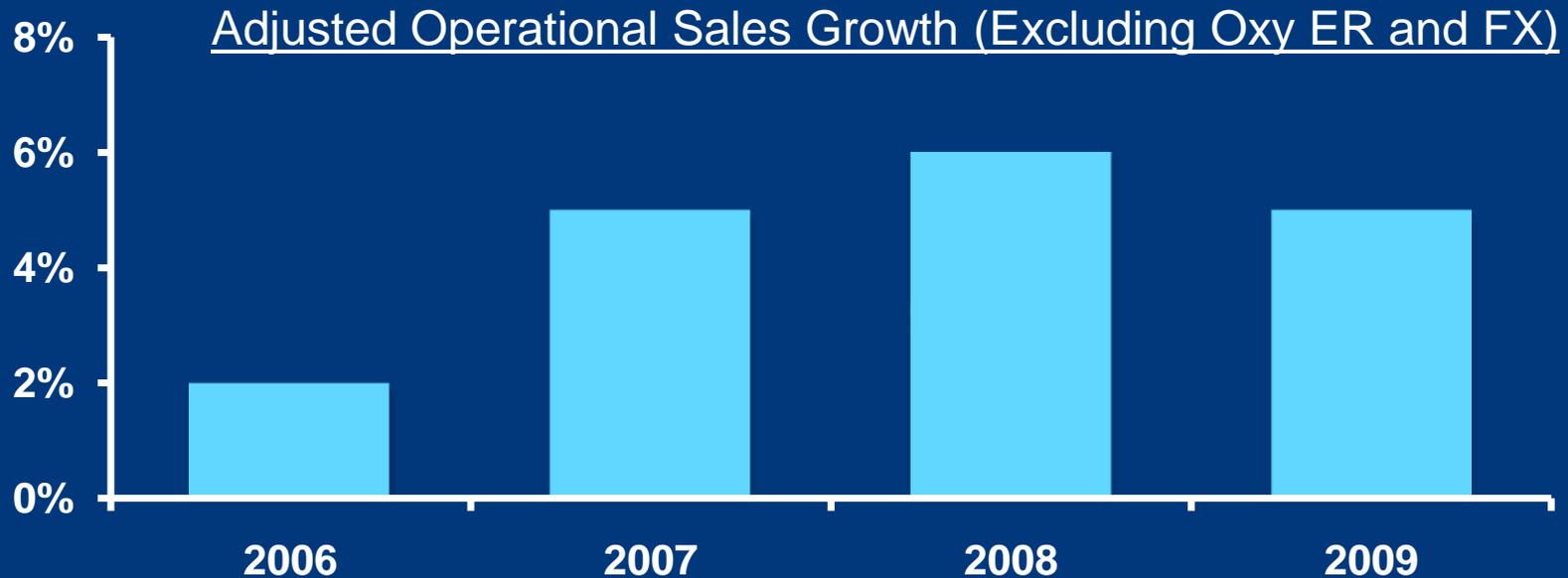
** Operational sales growth and free cash flow are non-GAAP measures. See appendix for definitions and reconciliation.

Created Growth Through ...

- Intense focus on Innovation

- Technology-centered Business Development and Licensing

- Aggressive management of our portfolio



Intense Focus On Innovation

Doubled annual patent filings since 2004

Creating more intellectual property and more aggressively protecting our technology

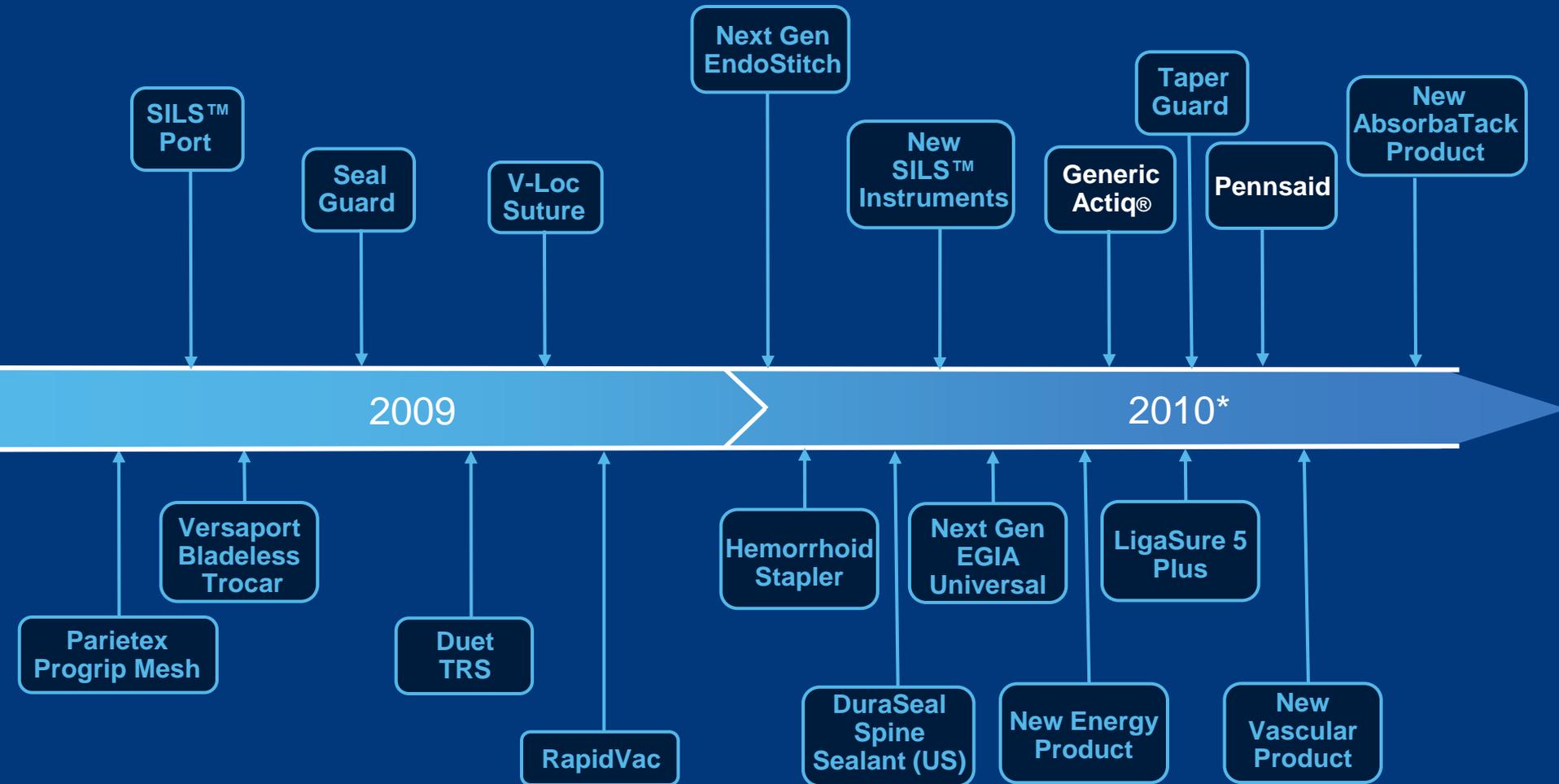
Launched an Innovation Council and Innovation Awards program

Increased R&D investments from \$262MM to \$438MM

Sales from new products increased 3X since 2006

2009 - 2010 Selected New Products

Medical Devices
Pharmaceuticals



* Excludes Exalgo 505(b)1 and 1 ANDA awaiting approvals at FDA.

Technology-centered Business Development and Licensing

Company

Sorbx

Tissue Science Labs

Bacchus Vascular

VNUS Medical

Power Medical Interventions

Aspect Medical Systems

Depomed

Nuvo

Neuromed

Technology

Absorbable hernia tacking

Biologic mesh

DVT treatment

Treatment of venous reflux disease

Battery powered instruments

Brain monitoring

Branded pain

Branded pain

Branded pain

Aggressive Management of Our Portfolio

Divestitures or exits

- European baby diapers
- Retail Products segment
- European needles & syringes
- Liquid oxygen
- Sleep diagnostics

Upcoming divestitures

- Sleep therapy
- U.S. radiopharmacies

Reorganization

- Created Vascular Therapies GBU
- Expanded Medical Supplies
- Combined Pharmaceutical and Imaging segments

Broadening Focus On Earnings Enhancement

Over last few years, accelerated sales growth rate while making incremental investments in selling, marketing, research & development

Investments have positioned us for growth, but restrained operating margin and earnings

Looking forward, plan to leverage prior SG&A investments, though R&D will continue to receive incremental funding

This should allow us to improve operating margins, increase EPS and ROIC, and improve returns to shareholders

Still targeting mid-single digit sales growth and double-digit EPS growth over time



Pharmaceuticals

Why is Covidien in Pharmaceuticals?

- Attractive long-term return characteristics

- Leading position in pain management enhances growth potential

- Right-sized infrastructure for sustainable growth

- Pipeline utilizing re-formulations and patented technology

- Seasoned pharmaceutical management team in place

Strategic fit with “mid-tech” development model and a focus on clinically relevant products

Covidien Pharmaceuticals Strategy

Short Term

- Proven, patented drug technology
 - Source: Acquire
- Infrastructure
 - Formulation
 - Clinical development
 - Regulatory
 - Risk Evaluation & Mitigation Strategies (REMS)

Create creditable pipeline

Longer Term

- High potential value pain brand(s)
 - License or acquire
 - Currently in Phase II/III
- Expand commercial & medical affairs to launch licensed products
 - Add Sales Reps
 - Add Medical Science Liaisons

Increase sales of higher-margin products

Recent Developments

■ Pennsaid® topical solution (diclofenac 1.5%) approved by FDA

- Will launch in the first half 2010

■ Oral Transmucosal Fentanyl Citrate approved by FDA

- Will launch this quarter

■ Exalgo™ (extended release hydromorphone)

- PDUFA date revised from November 22, 2009 to February 22, 2010
- Working with Neuromed and the FDA

■ Announced definitive agreement to divest U.S. radiopharmacies (2009 sales approximately \$180MM)

Covidien Is Committed To...

Managing portfolio for growth, margin and ROIC expansion

Continuing to build new product flow with clinically relevant offerings

Focusing on BD&L activity that complements current franchises

Recruiting and retaining top talent throughout the organization

Assuring commitment to service, quality and compliance

Maintaining strong balance sheet and ample cash flow to support growth, investments and shareholder interests



COVIDIEN

JP Morgan 28th Annual Healthcare Conference

Rich Meelia | Chairman, President and CEO



Appendix

Non-GAAP Financial Measures

This presentation discusses measures which may be considered “non-GAAP” financial measures under applicable Securities and Exchange Commission rules and regulations. These non-GAAP financial measures should be considered supplemental to and not a substitute for financial information prepared in accordance with generally accepted accounting principles. The definition of these non-GAAP measures may differ from similarly titled measures used by others.

The Company generally uses non-GAAP financial measures to facilitate management’s internal comparisons to Covidien’s historical operating results, to competitors’ operating results, and to provide greater transparency to investors of supplemental information used by management in its financial and operational decision-making, including to evaluate Covidien’s operating performance and to determine management incentive compensation.

The Company presents its operating margin forecast before special items to give investors a perspective on the expected underlying business results. Because the Company cannot predict the timing and amount of such items and the associated charges or gains that will be recorded in the Company’s financial statements, it is difficult to include the impact of those items in the forecast.

The following is a list of the non-GAAP financial measures which may be discussed in this presentation:

Adjusted Net Sales: Net sales excluding sales of oxycodone extended-release tablets

Adjusted Operating Income: Operating income excluding Oxy ER and excluding charges for class action settlement, net of insurance recoveries, restructuring charges, legal settlements, licensing fees and in-process R&D.

Adjusted Operating Income Margin: Adjusted Operating Income / Adjusted Net Sales (expressed as a percentage).

Free Cash Flow: Net cash provided by continuing operating activities plus class action settlement less capital expenditures.

Operational sales growth: Year over year adjusted net sales increase excluding the impact of foreign exchange, expressed as a percentage.

Additional information is available in the Investor Relations section of www.covidien.com

Non-GAAP Reconciliation

(\$ millions)

2005 Net Sales – as reported	\$9,535
2006 Net Sales – as reported	\$9,647
Impact of exchange rates on 2006 sales	\$ (93)
2006 Net Sales Growth – as reported	+1%
Impact of foreign exchange	(1%)
2006 Net Sales Growth – Operational	+2%
2008 Net Sales – as reported	\$10,358
2009 Net Sales – as reported	\$10,677
Impact of exchange rates and Oxy ER on 2009 sales	\$ (172)
2009 Net Sales Growth – as reported	+3%
Impact of foreign exchange and Oxy ER	(2%)
2009 Net Sales Growth – Adjusted Operational	+5%

	<u>2006</u>	<u>2009</u>
Net cash provided by continuing operating activities	\$1,335	\$1,875
Capital expenditures	<u>\$ 432</u>	<u>\$ 412</u>
Free Cash Flow	\$ 903	\$1,463