

Covidien plc
Form 425
August 11, 2014

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

Edgar Filing: Covidien plc - Form 425

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

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

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

Date: August 11, 2014

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

Fulfilling Unmet Medical Needs

The Medtronic Mission: A Shared Sense
of Purpose

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

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

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

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

Priority of Healthcare in
Emerging Markets

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

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

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

Three Key Benefits for Medtronic and Covidien
Therapy Innovation
Therapy
Innovation

1.
Strengthen and enhance Peripheral Vascular
and Neuroscience portfolios

2.

Leverage adjacencies in Medtronic Surgical Technologies and Covidien Surgical Solutions

3. Accelerate adoption of early stage Covidien therapies

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

+
combined
EM revenue
\$3.7B

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

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

Services (Europe)

Opportunities to Become Robust Unmatched

Integrated Health Solutions Partner

Economic Value

Value primarily realized in

post-acute settings

Cardiocom

Value primarily realized in

hospital efficiencies

Covidien Sensors

Combination Results in Strategic Diversification
Surgical
Solutions
Respiratory &
Patient Care

Diagnostics and Solutions
Peripheral vascular disease

Arterial

Venous insufficiency

Deep vein thrombosis

End stage renal disease

Aortic aneurysms

Further Expanding Our Comprehensive Portfolio

Diabetes

Neurological

Spinal and orthopedic

Ear, nose and throat

Structural heart

Endovascular

Coronary

Cardiac rhythm

Severe spasticity

Parkinson's disease

Essential tremor

Dystonia*

Hydrocephalus

Obsessive-compulsive
disorder*

Brain tumors and lesions

Chronic pain

Subdural hematomas

Cranial trauma

Cervical degenerative disc disease

Scoliosis

Degenerative disc disease

Spinal fracture

Lumbar spinal stenosis

Tibial fractures

Orthopedic trauma

Sinus diseases

Thyroid conditions

Otologic disorders

Sleep-disordered breathing

Pediatric conditions

Ménière's disease

Heart valve disease

Congenital heart disease

Overactive bladder and urinary retention

Nausea and vomiting associated with gastroparesis*

Fecal incontinence

Atrial fibrillation

Slow heart rates

(bradycardia)

Fast heart rates

(tachycardia)

Heart failure

Asymptomatic

heart rates

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

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

Shareholder Benefits

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

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

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

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

Medtronic to assume ~\$5 billion of Covidien debt

Represents per share consideration for Covidien shareholders of:

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

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

Covidien Transaction Summary

Transaction

Transaction

Terms

Terms

Transaction

Transaction

Structure

Structure

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

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

Timing

Timing

Closing expected in fourth calendar quarter of 2014 or early 2015

Subject to regulatory approvals

Subject to Medtronic and Covidien shareholder approvals

Key Facts: Taxable Transaction

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

automatically
converted
into
one
Medtronic
plc
ordinary share

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

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

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

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

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

Medtronic, Inc. shares
for Medtronic plc
ordinary shares.

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

Special Excise Tax

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

employees

or

retirees

of

the

company.

It

is

a

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

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

to

the

tax

on

the

exchange

of

shares

that

applies

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

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

as all other shareholders.

Shareholder Tax on

the Transaction

Key Facts: Federal, State and Local Tax Position

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

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

laws

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

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

Federal
35%
tax
rate

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

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

Medtronic commits additional \$10B of incremental technology investments in U.S. over next 10 years

Acquisition and Venture

Investments: \$8.3B+

invested in 80+ U.S.-

based companies*

\$8.3B+

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

Combined Impact

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

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

Q&A

Disclaimers

NO OFFER OR SOLICITATION

IMPORTANT ADDITIONAL INFORMATION WILL BE FILED WITH THE SEC

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

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

INVESTORS

AND

SHAREHOLDERS

ARE

URGED

TO

READ

THE

PRELIMINARY

JOINT

PROXY

STATEMENT/PROSPECTUS

(INCLUDING

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

OR

WILL

CONTAIN

IMPORTANT

INFORMATION

ABOUT

MEDTRONIC,

COVIDIEN,

NEW

MEDTRONIC,

THE

TRANSACTIONS

AND

RELATED
MATTERS.

Investors
and
security
holders
are
able

to
obtain

free
copies

of
the

preliminary

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. I

shareholders

are

able

to

obtain

free

copies

of

the

preliminary

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

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

Investor Relations at investor.relations@covidien.com or by calling 508-452-4650.

Edgar Filing: Covidien plc - Form 425

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

Disclaimers (cont d)

PARTICIPANTS IN THE SOLICITATION

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

Information
regarding

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

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

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

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

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

or the outcome of

pending
or
future
litigation
or
government
investigations;
variability
of
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
quality problems; the availability and pricing of third-party sourced products and materials; risks associated with self-insurance
successful compliance with governmental regulations applicable to New Medtronic s, Medtronic's and Covidien's facilities, pr
businesses;
changes
in
the
laws

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

Statement Required by the Irish Takeover Rules

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

Medtronic
(who
have
taken
all
reasonable
care
to
ensure
that
such
is
the

case),
the
information
contained
in
this
document
is
in
accordance
with
the
facts
and
does not omit anything likely to affect the import of such information.