

**Covidien Ltd.****Quarter Ended December 29, 2006****Statement of Income***(dollars in millions)*

	<u>As previously reported</u>	<u>Less: Discontinued operations <sup>(1)</sup></u>	<u>Adjusted for discontinued operations</u>
<b>Net sales</b>	\$ 2,451	\$ 323	\$ 2,128
Cost of products sold	1,286	274	1,012
<b>Gross profit</b>	1,165	49	1,116
Selling, general and administrative expenses	580	24	556
Research and development expenses	63	3	60
In-process research and development charge	8	—	8
Restructuring charges	17	1	16
<b>Operating income</b>	497	21	476
Interest expense	40	—	40
Interest income	(9)	—	(9)
<b>Income from continuing operations before income taxes</b>	466	21	445
Income taxes	124	11	113
<b>Income from continuing operations</b>	342	10	332
Loss (income) from discontinued operations, net of income taxes	4	10	(6)
<b>Net income</b>	<u>\$ 338</u>	<u>\$ —</u>	<u>\$ 338</u>
<b>Basic and diluted earnings per share:</b>			
Income from continuing operations	\$ 0.69		\$ 0.67
Loss (income) from discontinued operations	0.01		(0.01)
Net income	0.68		0.68
<b>Weighted-average number of shares outstanding: <sup>(2)</sup></b>			
Basic and diluted	497		497

<sup>(1)</sup> Net sales and operating income have been adjusted for the discontinued operations of our Retail Products segment, our Specialty Chemicals business within the Pharmaceutical Products segment and our European Incontinence Products business within the Medical Supplies segment.

<sup>(2)</sup> The common shares outstanding immediately following the Separation were used to calculate basic and diluted earnings per share because no common shares, share options or restricted shares of Covidien were outstanding on or before June 29, 2007.

**Covidien Ltd.**  
**Non-GAAP Reconciliation**  
**Quarter Ended December 29, 2006**  
*(dollars in millions, except per share data)*

	<b>Quarter Ended December 29, 2006</b>			
	<b>Operating income</b>	<b>Income from continuing operations before income taxes</b>	<b>Income from continuing operations</b>	<b>Diluted earnings per share from continuing operations</b>
<b>GAAP</b>	<b>\$ 476</b>	<b>\$ 445</b>	<b>\$ 332</b>	<b>\$ 0.67</b>
Adjustments:				
In-process research and development charge <sup>(1)</sup>	8	8	8	0.02
Restructuring charges <sup>(2)</sup>	16	16	10	0.02
Tax matters	—	—	(5)	(0.01)
<b>As adjusted</b>	<b>\$ 500</b>	<b>\$ 469</b>	<b>\$ 345</b>	<b>0.69</b>

<sup>(1)</sup> Our Medical Devices segment recorded an in-process research and development charge of \$8 million in connection with the acquisition of the remaining outstanding shares of Airox S.A.

<sup>(2)</sup> Restructuring charges of \$16 million related primarily to severance costs within our Medical Devices segment.

**Covidien Ltd.****Quarter Ended March 30, 2007****Statement of Income***(dollars in millions)*

	As previously reported	Less: Discontinued operations <sup>(1)</sup>	Adjusted for discontinued operations
<b>Net sales</b>	\$ 2,539	\$ 339	\$ 2,200
Cost of products sold	1,356	287	1,069
<b>Gross profit</b>	1,183	52	1,131
Selling, general and administrative expenses	598	18	580
Research and development expenses	66	3	63
Restructuring charges	4	—	4
<b>Operating income</b>	515	31	484
Interest expense	39	—	39
Interest income	(10)	—	(10)
Other income	(6)	—	(6)
<b>Income from continuing operations before income taxes</b>	492	31	461
Income taxes	98	14	84
<b>Income from continuing operations</b>	394	17	377
Income from discontinued operations, net of income taxes	—	17	(17)
<b>Net income</b>	<u>\$ 394</u>	<u>\$ —</u>	<u>\$ 394</u>
<b>Basic and diluted earnings per share:</b>			
Income from continuing operations	\$ 0.79		\$ 0.76
Income from discontinued operations	—		(0.03)
Net income	0.79		0.79
<b>Weighted-average number of shares outstanding: <sup>(2)</sup></b>			
Basic and diluted	497		497

<sup>(1)</sup> Net sales and operating income have been adjusted for the discontinued operations of our Retail Products segment, our Specialty Chemicals business within the Pharmaceutical Products segment and our European Incontinence Products business within the Medical Supplies segment.

<sup>(2)</sup> The common shares outstanding immediately following the Separation were used to calculate basic and diluted earnings per share because no common shares, share options or restricted shares of Covidien were outstanding on or before June 29, 2007.

**Covidien Ltd.**  
**Non-GAAP Reconciliation**  
**Quarter Ended March 30, 2007**  
*(dollars in millions, except per share data)*

	Quarter Ended March 30, 2007			
	Operating income	Income from continuing operations before income taxes	Income from continuing operations	Diluted earnings per share from continuing operations
<b>GAAP</b>	\$ 484	\$ 461	\$ 377	\$ 0.76
Adjustments:				
Restructuring charges <sup>(1)</sup>	4	4	3	0.01
Tax matters <sup>(2)</sup>	—	—	(42)	(0.08)
<b>As adjusted</b>	<u>\$ 488</u>	<u>\$ 465</u>	<u>\$ 338</u>	<u>0.68</u>

<sup>(1)</sup> Restructuring charges of \$4 million related primarily to severance costs within our Medical Devices segment.

<sup>(2)</sup> Our tax rate was favorably impacted by \$42 million, primarily due to the release of deferred tax valuation allowances related to changes in non-U.S. tax law.

**Covidien Ltd.****Quarter Ended June 29, 2007****Statement of Operations***(dollars in millions)*

	As previously reported	Less: Discontinued operations <sup>(1)</sup>	Adjusted for discontinued operations
<b>Net sales</b>	\$ 2,579	\$ 310	\$ 2,269
Cost of products sold	1,337	252	1,085
<b>Gross profit</b>	1,242	58	1,184
Selling, general and administrative expenses	662	23	639
Research and development expenses	68	4	64
In-process research and development charge	30	—	30
Class action settlement, net of insurance recovery	1,207	—	1,207
Restructuring charges	5	—	5
<b>Operating loss</b>	(730)	31	(761)
Interest expense	46	—	46
Interest income	(9)	(1)	(8)
Other expense	156	—	156
<b>Loss from continuing operations before income taxes</b>	(923)	32	(955)
Income taxes	184	4	180
<b>Loss from continuing operations</b>	(1,107)	28	(1,135)
Loss (income) from discontinued operations, net of income taxes	1	28	(27)
<b>Net loss</b>	<u>\$ (1,108)</u>	<u>\$ —</u>	<u>\$ (1,108)</u>
<b>Basic and diluted loss per share:</b>			
Loss from continuing operations	\$ (2.23)		\$ (2.29)
Income from discontinued operations	—		(0.06)
Net loss	(2.23)		(2.23)
<b>Weighted-average number of shares outstanding:</b> <sup>(2)</sup>			
Basic and diluted	497		497

<sup>(1)</sup> Net sales and operating income have been adjusted for the discontinued operations of our Retail Products segment, our Specialty Chemicals business within the Pharmaceutical Products segment and our European Incontinence Products business within the Medical Supplies segment.

<sup>(2)</sup> The common shares outstanding immediately following the Separation were used to calculate basic and diluted earnings per share because no common shares, share options or restricted shares of Covidien were outstanding on or before June 29, 2007.

**Covidien Ltd.**  
**Non-GAAP Reconciliation**  
**Quarter Ended June 29, 2007**  
*(dollars in millions, except per share data)*

	Quarter Ended June 29, 2007			
	Operating (loss) income	(Loss) income from continuing operations before income taxes	(Loss) income from continuing operations	Diluted (loss) earnings per share from continuing operations
<b>GAAP</b>	\$ (761)	\$ (955)	\$ (1,135)	\$ (2.29)
Adjustments:				
In-process research and development charge <sup>(1)</sup>	30	30	22	0.04
Class action settlement, net of insurance recovery <sup>(2)</sup>	1,207	1,207	1,207	2.43
Restructuring charges <sup>(3)</sup>	5	5	3	0.01
Loss on the early extinguishment of debt <sup>(4)</sup>	—	155	152	0.31
Tax matters <sup>(5)</sup>	—	—	68	0.14
<b>As adjusted</b>	<b>\$ 481</b>	<b>\$ 442</b>	<b>\$ 317</b>	<b>0.64</b>

- <sup>(1)</sup> Our Medical Devices segment recorded an in-process research and development charge of \$30 million in connection with the acquisition of intellectual property from Sorbx, LLC.
- <sup>(2)</sup> We were allocated a net charge of \$1,207 million from Tyco International for our portion of Tyco International's class action settlement. This amount is comprised of our portion of the class action settlement of \$1,249 million, net of our portion of the related insurance recovery of \$42 million.
- <sup>(3)</sup> Restructuring charges of \$5 million related primarily to severance costs within our Medical Devices segment.
- <sup>(4)</sup> Other expense includes a loss on the early extinguishment of debt of \$155 million, of which \$146 million was allocated to us by Tyco International.
- <sup>(5)</sup> Our tax rate was negatively impacted by \$68 million for certain tax costs incurred in connection with our separation from Tyco International and other adjustments to legacy income tax liabilities.

**Covidien Ltd.****Quarter Ended September 28, 2007****Statement of Income***(dollars in millions)*

	As previously reported	Less: Discontinued operations <sup>(1)</sup>	Adjusted for discontinued operations
<b>Net sales</b>	\$ 2,601	\$ 303	\$ 2,298
Cost of products sold	1,354	247	1,107
<b>Gross profit</b>	1,247	56	1,191
Selling, general and administrative expenses	697	26	671
Research and development expenses	77	4	73
Class action settlement insurance recovery	(5)	—	(5)
Impairments of long-lived assets	290	256	34
Restructuring and other charges, net	32	—	32
<b>Operating income</b>	156	(230)	386
Interest expense	63	—	63
Interest income	(8)	—	(8)
Other income	(15)	—	(15)
<b>Income from continuing operations before income taxes</b>	116	(230)	346
Income taxes	82	(3)	85
<b>Income from continuing operations</b>	34	(227)	261
Loss from discontinued operations, net of income taxes	—	(227)	227
<b>Net income</b>	<u>\$ 34</u>	<u>\$ —</u>	<u>\$ 34</u>
<b>Basic earnings per share:</b>			
Income from continuing operations	\$ 0.07		\$ 0.53
Loss from discontinued operations	—		0.46
Net income	0.07		0.07
<b>Diluted earnings per share:</b>			
Income from continuing operations	\$ 0.07		\$ 0.52
Loss from discontinued operations	—		0.46
Net income	0.07		0.07
<b>Weighted-average number of shares outstanding:</b>			
Basic	497		497
Diluted	500		500

<sup>(1)</sup> Net sales and operating income have been adjusted for the discontinued operations of our Retail Products segment, our Specialty Chemicals business within the Pharmaceutical Products segment and our European Incontinence Products business within the Medical Supplies segment.

**Covidien Ltd.**  
**Non-GAAP Reconciliation**  
**Quarter Ended September 28, 2007**  
*(dollars in millions, except per share data)*

	Quarter Ended September 28, 2007			
	Operating income	Income from continuing operations before income taxes	Income from continuing operations	Diluted earnings per share from continuing operations
<b>GAAP</b>	<b>\$ 386</b>	<b>\$ 346</b>	<b>\$ 261</b>	<b>\$ 0.52</b>
Adjustments:				
Class action settlement insurance recovery	(5)	(5)	(5)	(0.01)
Impairments of long- lived assets <sup>(1)</sup>	34	34	21	0.04
Restructuring and other charges, net <sup>(2)</sup>	32	32	21	0.04
Tax matters <sup>(3)</sup>	—	—	13	0.03
<b>As adjusted</b>	<b>\$ 447</b>	<b>\$ 407</b>	<b>\$ 311</b>	<b>0.62</b>

- <sup>(1)</sup> Impairments of long-lived assets of \$34 million related primarily to the \$33 million write-off of a non-amortizable trademark within our Imaging Solutions segment.
- <sup>(2)</sup> Restructuring charges of \$32 million related primarily to severance costs and asset impairment charges within our Medical Devices segment.
- <sup>(3)</sup> Our tax rate was negatively impacted by \$13 million, primarily due to adjustments to legacy income tax liabilities.

**Covidien Ltd.****Fiscal Year Ended September 28, 2007****Statement of Operations***(dollars in millions)*

	As previously reported	Less: Discontinued operations <sup>(1)</sup>	Adjusted for discontinued operations
<b>Net sales</b>	\$ 10,170	\$ 1,275	\$ 8,895
Cost of products sold	5,333	1,060	4,273
<b>Gross profit</b>	4,837	215	4,622
Selling, general and administrative expenses	2,537	91	2,446
Research and development expenses	274	14	260
In-process research and development charges	38	—	38
Class action settlement, net of insurance recoveries	1,202	—	1,202
Impairments of long-lived assets	290	256	34
Restructuring and other charges, net	58	1	57
<b>Operating income</b>	438	(147)	585
Interest expense	188	—	188
Interest income	(36)	(1)	(35)
Other expense, net	135	—	135
<b>Income from continuing operations before income taxes</b>	151	(146)	297
Income taxes	488	26	462
<b>Loss from continuing operations</b>	(337)	(172)	(165)
Loss from discontinued operations, net of income taxes	5	(172)	177
<b>Net loss</b>	\$ (342)	\$ —	\$ (342)
<b>Basic and diluted loss per share:</b>			
Loss from continuing operations	\$ (0.68)		\$ (0.33)
Loss from discontinued operations	0.01		0.36
Net loss	(0.69)		(0.69)
<b>Weighted-average number of shares outstanding:</b>			
Basic and diluted	497		497

<sup>(1)</sup> Net sales and operating income have been adjusted for the discontinued operations of our Retail Products segment, our Specialty Chemicals business within the Pharmaceutical Products segment and our European Incontinence Products business within the Medical Supplies segment.

**Covidien Ltd.**  
**Non-GAAP Reconciliation**  
**Fiscal Year Ended September 28, 2007**  
*(dollars in millions, except per share data)*

	Fiscal Year Ended September 28, 2007			
	Operating income	Income from continuing operations before income taxes	(Loss) income from continuing operations	Diluted (loss) earnings per share from continuing operations
<b>GAAP</b>	\$ <b>585</b>	\$ <b>297</b>	\$ <b>(165)</b>	\$ <b>(0.33)</b>
Adjustments:				
In-process research and development charges <sup>(1)</sup>	38	38	30	0.06
Class action settlement, net of insurance recoveries <sup>(2)</sup>	1,202	1,202	1,202	2.42
Impairments of long-lived assets <sup>(3)</sup>	34	34	21	0.04
Restructuring and other charges, net <sup>(4)</sup>	57	57	37	0.07
Loss on the early extinguishment of debt <sup>(5)</sup>	—	155	152	0.31
Tax matters <sup>(6)</sup>	—	—	34	0.07
Impact of non-GAAP dilutive shares <sup>(7)</sup>	—	—	—	(0.02)
<b>As adjusted</b>	<b>\$ 1,916</b>	<b>\$ 1,783</b>	<b>\$ 1,311</b>	<b>2.63</b>

- <sup>(1)</sup> Our Medical Devices segment recorded an in-process research and development charge of \$30 million in connection with the acquisition of intellectual property from Sorbx, LLC. and \$8 million in connection with the acquisition of the remaining outstanding shares of Airox S.A.
- <sup>(2)</sup> We were allocated a net charge of \$1,202 million from Tyco International for our portion of Tyco International's class action settlement. This amount is comprised of our portion of the class action settlement of \$1,249 million, net of our portion of the related insurance recoveries of \$47 million.
- <sup>(3)</sup> Impairments of long-lived assets of \$34 million related primarily to the \$33 million write off of a non-amortizable trademark within our Imaging Solutions segment.
- <sup>(4)</sup> Restructuring charges of \$57 million related primarily to severance costs and asset impairment charges within our Medical Devices segment.
- <sup>(5)</sup> Other expense includes a loss on the early extinguishment of debt of \$155 million, of which \$146 million was allocated to us by Tyco International.
- <sup>(6)</sup> Our tax rate was negatively impacted by \$34 million, which consists of certain tax costs incurred in connection with our separation from Tyco International and other adjustments to legacy income tax liabilities, partially offset by the release of deferred tax valuation allowances related to changes in non-U.S. tax law.
- <sup>(7)</sup> We had 497 million GAAP basic and diluted weighted-average shares outstanding for fiscal 2007. There are no dilutive shares outstanding for fiscal 2007 as we have a GAAP loss from continuing operations and an increase in weighted-average shares outstanding would have an anti-dilutive effect. For our adjusted income from continuing operations we had an incremental dilutive effect of 3 million shares or diluted weighted-average shares outstanding of 500 million shares. The impact of the non-GAAP dilutive shares was a decrease of \$0.02 per share.

**Covidien Ltd.****Fiscal Year Ended September 29, 2006****Statement of Income***(dollars in millions)*

	As previously reported	Less: Discontinued operations <sup>(1)</sup>	Adjusted for discontinued operations
<b>Net sales</b>	\$ 9,647	\$ 1,334	\$ 8,313
Cost of products sold	5,161	1,149	4,012
<b>Gross profit</b>	4,486	185	4,301
Selling, general and administrative expenses	2,081	95	1,986
Research and development expenses	262	14	248
In-process research and development charges	63	—	63
Gain on divestitures, net	(48)	—	(48)
<b>Operating income</b>	2,128	76	2,052
Interest expense	171	—	171
Interest income	(32)	—	(32)
Other expense, net	15	2	13
<b>Income from continuing operations before income taxes</b>	1,974	74	1,900
Income taxes	504	34	470
<b>Income from continuing operations</b>	1,470	40	1,430
Loss from discontinued operations, net of income taxes	315	40	275
<b>Net income</b>	<u>\$ 1,155</u>	<u>\$ —</u>	<u>\$ 1,155</u>
<b>Basic and diluted earnings per share:</b>			
Income from continuing operations	\$ 2.96		\$ 2.88
Loss from discontinued operations	0.63		0.55
Net income	2.33		2.33
<b>Weighted-average number of shares outstanding: <sup>(2)</sup></b>			
Basic and diluted	497		497

<sup>(1)</sup> Net sales and operating income have been adjusted for the discontinued operations of our Retail Products segment, our Specialty Chemicals business within the Pharmaceutical Products segment and our European Incontinence Products business within the Medical Supplies segment.

<sup>(2)</sup> The common shares outstanding immediately following the Separation were used to calculate basic and diluted earnings per share because no common shares, share options or restricted shares of Covidien were outstanding on or before June 29, 2007.

**Covidien Ltd.**  
**Non-GAAP Reconciliation**  
**Fiscal Year Ended September 29, 2006**  
*(dollars in millions, except per share data)*

	<b>Fiscal Year Ended September 29, 2006</b>			
	<u>Operating income</u>	<u>Income from continuing operations before income taxes</u>	<u>Income from continuing operations</u>	<u>Diluted earnings per share from continuing operations</u>
<b>GAAP</b>	<b>\$ 2,052</b>	<b>\$ 1,900</b>	<b>\$ 1,430</b>	<b>\$ 2.88</b>
Adjustments:				
In-process research and development charges <sup>(1)</sup>	63	63	63	0.13
Gain on divestitures, net <sup>(2)</sup>	(48)	(48)	(38)	(0.08)
Tax matters			7	0.01
<b>As adjusted</b>	<b><u>\$ 2,067</u></b>	<b><u>\$ 1,915</u></b>	<b><u>\$ 1,462</u></b>	<b><u>2.94</u></b>

<sup>(1)</sup> Our Medical Devices segment recorded in-process research and development charges of \$49 million in connection with the acquisition of 100% of Confluent Surgical, Inc., \$11 million in connection with the acquisition of 50% of Airox S.A. and \$3 million in connection with the acquisition of over 90% of Floreane Medical Implants, S.A.

<sup>(2)</sup> Gain of \$48 million is primarily related to the sale of the Radionics product line with our Medical Devices segment.

**Covidien Ltd.****Quarter Ended December 29, 2006****Segment Sales and Operating Income***(dollars in millions)*

	<u>As previously reported</u>	<u>Segment realignment</u>	<u>Less: Discontinued operations</u>	<u>As adjusted</u>
<b>Net sales:</b> <sup>(1)</sup>				
Medical Devices	\$ 1,459	\$ (33)	\$ —	\$ 1,426
Imaging Solutions	224	32	—	256
Pharmaceutical Products	326	—	101	225
Medical Supplies	246	1	26	221
Retail Products	196	—	196	—
	<u>\$ 2,451</u>	<u>\$ —</u>	<u>\$ 323</u>	<u>\$ 2,128</u>
<b>Operating income:</b> <sup>(1)</sup>				
Medical Devices	\$ 424	\$ (3)	\$ —	\$ 421
Imaging Solutions	36	3	—	39
Pharmaceutical Products	90	—	12	78
Medical Supplies	35	—	(1)	36
Retail Products	10	—	10	—
Corporate	(98)	—	—	(98)
	<u>\$ 497</u>	<u>\$ —</u>	<u>\$ 21</u>	<u>\$ 476</u>

<sup>(1)</sup> Net sales and operating income have been adjusted for the discontinued operations of our Retail Products segment, our Specialty Chemicals business within the Pharmaceutical Products segment and our European Incontinence Products business within the Medical Supplies segment. In addition, net sales and operating income reflect the reclassification of operations formerly managed by our Medical Devices segment that related to the sale and production of Radiopharmaceuticals and Contrast Products now managed by our Imaging Solutions segment.

**Covidien Ltd.****Quarter Ended March 30, 2007****Segment Sales and Operating Income***(dollars in millions)*

	<u>As previously reported</u>	<u>Segment realignment</u>	<u>Less: Discontinued operations</u>	<u>As adjusted</u>
<b>Net sales: <sup>(1)</sup></b>				
Medical Devices	\$ 1,511	\$ (31)	\$ —	\$ 1,480
Imaging Solutions	228	31	—	259
Pharmaceutical Products	344	—	105	239
Medical Supplies	250	—	28	222
Retail Products	206	—	206	—
	<u>\$ 2,539</u>	<u>\$ —</u>	<u>\$ 339</u>	<u>\$ 2,200</u>
<b>Operating income: <sup>(1)</sup></b>				
Medical Devices	\$ 443	\$ (3)	\$ —	\$ 440
Imaging Solutions	29	3	—	32
Pharmaceutical Products	90	—	15	75
Medical Supplies	36	—	—	36
Retail Products	18	—	18	—
Corporate	(101)	—	(2)	(99)
	<u>\$ 515</u>	<u>\$ —</u>	<u>\$ 31</u>	<u>\$ 484</u>

<sup>(1)</sup> Net sales and operating income have been adjusted for the discontinued operations of our Retail Products segment, our Specialty Chemicals business within the Pharmaceutical Products segment and our European Incontinence Products business within the Medical Supplies segment. In addition, net sales and operating income reflect the reclassification of operations formerly managed by our Medical Devices segment that related to the sale and production of Radiopharmaceuticals and Contrast Products now managed by our Imaging Solutions segment.

**Covidien Ltd.****Quarter Ended June 29, 2007****Segment Sales and Operating Income***(dollars in millions)*

	<u>As previously reported</u>	<u>Segment realignment</u>	<u>Less: Discontinued operations</u>	<u>As adjusted</u>
<b>Net sales:</b> <sup>(1)</sup>				
Medical Devices	\$ 1,583	\$ (34)	\$ —	\$ 1,549
Imaging Solutions	238	33	—	271
Pharmaceutical Products	333	—	105	228
Medical Supplies	247	1	27	221
Retail Products	178	—	178	—
	<u>\$ 2,579</u>	<u>\$ —</u>	<u>\$ 310</u>	<u>\$ 2,269</u>
<b>Operating income:</b> <sup>(1)</sup>				
Medical Devices	\$ 438	\$ (2)	\$ —	\$ 436
Imaging Solutions	29	3	—	32
Pharmaceutical Products	91	—	15	76
Medical Supplies	39	(1)	(1)	39
Retail Products	17	—	17	—
Corporate	(1,344)	—	—	(1,344)
	<u>\$ (730)</u>	<u>\$ —</u>	<u>\$ 31</u>	<u>\$ (761)</u>

<sup>(1)</sup> Net sales and operating income have been adjusted for the discontinued operations of our Retail Products segment, our Specialty Chemicals business within the Pharmaceutical Products segment and our European Incontinence Products business within the Medical Supplies segment. In addition, net sales and operating income reflect the reclassification of operations formerly managed by our Medical Devices segment that related to the sale and production of Radiopharmaceuticals and Contrast Products now managed by our Imaging Solutions segment.

**Covidien Ltd.****Quarter Ended September 28, 2007**  
**Segment Sales and Operating Income**  
*(dollars in millions)*

	<u>As previously reported</u>	<u>Segment realignment</u>	<u>Less: Discontinued operations</u>	<u>As adjusted</u>
<b>Net sales:</b> <sup>(1)</sup>				
Medical Devices	\$ 1,608	\$ (40)	\$ —	\$ 1,568
Imaging Solutions	252	39	—	291
Pharmaceutical Products	327	—	111	216
Medical Supplies	250	1	28	223
Retail Products	164	—	164	—
	<u>\$ 2,601</u>	<u>\$ —</u>	<u>\$ 303</u>	<u>\$ 2,298</u>
<b>Operating income:</b> <sup>(1)</sup>				
Medical Devices	\$ 426	\$ (4)	\$ —	\$ 422
Imaging Solutions	(7)	4	—	(3)
Pharmaceutical Products	68	—	13	55
Medical Supplies	34	—	—	34
Retail Products	(240)	—	(240)	—
Corporate	(125)	—	(3)	(122)
	<u>\$ 156</u>	<u>\$ —</u>	<u>\$ (230)</u>	<u>\$ 386</u>

<sup>(1)</sup> Net sales and operating income have been adjusted for the discontinued operations of our Retail Products segment, our Specialty Chemicals business within the Pharmaceutical Products segment and our European Incontinence Products business within the Medical Supplies segment. In addition, net sales and operating income reflect the reclassification of operations formerly managed by our Medical Devices segment that related to the sale and production of Radiopharmaceuticals and Contrast Products now managed by our Imaging Solutions segment.

**Covidien Ltd.****Fiscal Year Ended September 28, 2007****Segment Sales and Operating Income***(dollars in millions)*

	As previously reported	Segment realignment	Less: Discontinued operations	As adjusted
<b>Net sales:</b> <sup>(1)</sup>				
Medical Devices	\$ 6,161	\$ (138)	\$ —	\$ 6,023
Imaging Solutions	942	135	—	1,077
Pharmaceutical Products	1,330	—	422	908
Medical Supplies	993	3	109	887
Retail Products	744	—	744	—
	<u>\$ 10,170</u>	<u>\$ —</u>	<u>\$ 1,275</u>	<u>\$ 8,895</u>
<b>Operating income:</b> <sup>(1)</sup>				
Medical Devices	\$ 1,731	\$ (12)	\$ —	\$ 1,719
Imaging Solutions	87	13	—	100
Pharmaceutical Products	339	—	55	284
Medical Supplies	144	(1)	(2)	145
Retail Products	(195)	—	(195)	—
Corporate	(1,668)	—	(5)	(1,663)
	<u>\$ 438</u>	<u>\$ —</u>	<u>\$ (147)</u>	<u>\$ 585</u>

<sup>(1)</sup> Net sales and operating income have been adjusted for the discontinued operations of our Retail Products segment, our Specialty Chemicals business within the Pharmaceutical Products segment and our European Incontinence Products business within the Medical Supplies segment. In addition, net sales and operating income reflect the reclassification of operations formerly managed by our Medical Devices segment that related to the sale and production of Radiopharmaceuticals and Contrast Products now managed by our Imaging Solutions segment.

**Covidien Ltd.****Fiscal Year Ended September 29, 2006****Segment Sales and Operating Income***(dollars in millions)*

	As previously reported	Segment realignment	Less: Discontinued operations	As adjusted
<b>Net sales:</b> <sup>(1)</sup>				
Medical Devices	\$ 5,711	\$ (126)	\$ —	\$ 5,585
Imaging Solutions	870	124	—	994
Pharmaceutical Products	1,219	—	379	840
Medical Supplies	992	2	100	894
Retail Products	855	—	855	—
	<u>\$ 9,647</u>	<u>\$ —</u>	<u>\$ 1,334</u>	<u>\$ 8,313</u>
<b>Operating income:</b> <sup>(1)</sup>				
Medical Devices	\$ 1,824	\$ (12)	\$ —	\$ 1,812
Imaging Solutions	123	15	—	138
Pharmaceutical Products	300	—	41	259
Medical Supplies	143	(3)	(6)	146
Retail Products	44	—	44	—
Corporate	(306)	—	(3)	(303)
	<u>\$ 2,128</u>	<u>\$ —</u>	<u>\$ 76</u>	<u>\$ 2,052</u>

<sup>(1)</sup> Net sales and operating income have been adjusted for the discontinued operations of our Retail Products segment, our Specialty Chemicals business within the Pharmaceutical Products segment and our European Incontinence Products business within the Medical Supplies segment. In addition, net sales and operating income reflect the reclassification of operations formerly managed by our Medical Devices segment that related to the sale and production of radiopharmaceuticals and contrast products now managed by our Imaging Solutions segment.

**Covidien Ltd.**  
**Select Product Line Sales**  
**Quarters Ended December 29, 2007, March 30, 2007, June 29, 2007 and**  
**September 28, 2007 and Fiscal Years Ended September 28, 2007 and September 29, 2006**  
*(dollars in millions)*

	<b>Quarters Ended</b>				<b>Fiscal Years Ended</b>	
	<b>December 29, 2006</b>	<b>March 30, 2007</b>	<b>June 29, 2007</b>	<b>September 28, 2007</b>	<b>September 28, 2007</b>	<b>September 29, 2006</b>
<b>Medical Devices: <sup>(1)</sup></b>						
Endomechanical	\$ 442	\$ 457	\$ 480	\$ 479	\$ 1,858	\$ 1,727
Soft Tissue Repair	118	119	129	128	494	420
Energy	148	154	165	171	638	533
Oximetry and Monitoring	143	152	152	150	597	559
Airway and Ventilation	176	192	196	202	766	730
Vascular	117	114	124	127	482	454
SharpSafety	112	113	117	119	461	429
Clinical Care	90	91	94	97	372	352
<b>Imaging Solutions: <sup>(1)</sup></b>						
Radiopharmaceuticals	\$ 118	\$ 119	\$ 123	\$ 127	\$ 487	\$ 432
Contrast	138	140	148	164	590	562

<sup>(1)</sup> Net sales reflect the reclassification of operations formerly managed by our Medical Devices segment that related to the sale and production of radiopharmaceuticals and contrast products now managed by our Imaging Solutions segment.