Covidien Opens US$45 Million R&D Facility in China

The Associated Press

SHANGHAI-- Aug 2, 2012 -- Covidien (NYSE: COV), a leading global provider of healthcare products, today announced the official opening of its China Technology Center (CTC) Research and Development (R&D) facility in Shanghai.

“Establishing this R&D facility in Shanghai reinforces Covidien’s continued commitment to providing innovative new products that will help healthcare providers worldwide improve patient care and extend healthcare delivery to more people and more places,” said José E. Almeida, Chairman, President and CEO of Covidien, who attended the opening event. “China is a key market in our global strategy, and this investment is a reflection of our strategic initiatives.”

With a total investment of US$45 million over a three year period, the CTC will eventually employ more than 300 people.

The facility spans more than 100,000 square-feet (9,290 square meters), houses 17 laboratories and has state-of-the-art surgical and simulation suites that enable healthcare professionals to be actively involved in the medical device design and development process.

The CTC has two core focus areas: Design of Tailored Products — identify and develop products that are customized to meet the needs of China and other Emerging Markets. Discovery of Breakthrough Platforms in medical technology — utilize the unique skillsets and expertise of employees in Asia to create and develop new medical device technologies. The new Shanghai facility will provide a focal point for developing local Chinese talent and grooming the next generation of medical innovators for the industry.

“By collaborating closely with local medical experts who use our products, we can tailor devices to meet the demands of China and other Emerging Markets,” said Dong Wu, Vice President, China R&D, Covidien. “We are dedicated to improving patient outcomes, and we recognize the immense potential of basing an R&D facility in Shanghai. This location will help us tap into internationally renowned experts based here in China, including world-class engineering talent. We believe this collaboration will drive innovation in China and across the Emerging Markets healthcare landscape.” The CTC complements Covidien’s other operations in China, which include 10 commercial offices, a manufacturing center and training facilities for healthcare professionals. The Covidien Clinical Institute (CCI) offers training for healthcare professionals on the safe and effective use of the latest medical devices and procedures, advancing clinicians’ expertise and improving patient outcomes. Additionally, partnership programs with leading academic institutions in China help Covidien nurture young talent and gather fresh ideas for the advancement of the

medical device industry.

“This fusion of expertise among healthcare professionals, students, scientists and engineers will be further reinforced by the cutting-edge capabilities of our new R&D facility, bridging clinical knowledge, market understanding and technical innovation,” added Wu.

Underpinning Covidien’s commitment to developing healthcare in China is the Company’s alignment of its plans with the Chinese government’s healthcare agenda, outlined in the 12 th Five-Year Plan. Training at the CCI aligns with healthcare reforms to ensure that medical devices are used safely and effectively as part of healthcare infrastructure improvement. The capabilities of the new R&D facility address the healthcare reform objective of strengthening product technology to improve patient outcomes.

“The Chinese Healthcare industry is on a fast track of development. The Ministry of Commerce, Ministry of Health and Ministry of Science and Technology all launched specific policies to boost the medical device industry – and the key word is innovation. We are looking forward to Covidien providing more innovative technology and products to meet the local market demand,” said Mr. Wang Xin Pei, the Deputy Director of Shanghai Municipal Commission of Commerce, at Covidien’s opening ceremony.

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