Covidien To Acquire Power Medical Interventions, Inc.

DUBLIN & LANGHORNE, Pa.-- (BUSINESS WIRE) — Jul. 29, 2009-- Covidien (NYSE: COV), a leading global provider of healthcare products, today announced the Company has reached a definitive agreement to acquire Power Medical Interventions, Inc. (OTCBB: PMII), a provider of computer-assisted, power-actuated surgical cutting and stapling products.

Based in Langhorne, PA, Power Medical Interventions (PMI) had 2008 revenues of $9 million. The Board of Directors of both companies unanimously approved the transaction, pursuant to which a wholly owned subsidiary of Covidien will pay $2.08 in cash per share of PMI common stock. Aggregate consideration, including assumption of debt, will total approximately $64 million. The transaction, which will take the form of an all cash tender offer, is subject to customary closing conditions and is expected to be completed by September 25, 2009.

PMI's first powered stapling platform, the SurgAssist, was introduced in 2001 and has been used in more than 45,000 procedures globally. Over the last two years, the company has introduced wireless Intelligent Surgical Instruments™ that have the potential to revolutionize and expand minimally invasive surgery applications, as well as enable novel surgical procedures to benefit surgeons, patients, hospitals and healthcare networks. Covidien, which develops innovative technology for advanced surgical procedures, is a world leader in surgical stapling.

"By combining these technological assets with our global infrastructure, we will be delivering differentiated solutions to our customers," said Scott Flora, President, Surgical Devices, Covidien. "As a pioneer in surgical stapling, we are committed to providing healthcare technology that enables advanced surgical techniques and improves patient outcomes."

"We are excited to join Covidien's Surgical Devices business unit and look forward to establishing a technology platform that will advance surgical stapling and instrumentation beyond the capabilities of existing manually operated devices," said Michael Whitman, President and Chief Executive Officer, PMI.

Covidien does not anticipate this transaction will have a material impact on its fiscal 2009 sales or operating margin outlook. The transaction will be slightly dilutive in 2010, but the underlying strength of its existing businesses is expected to offset the dilution. Once the transaction has been completed, Covidien will report the PMI business as part of its Endomechanical product line in the Medical Devices segment.

For more information, visit www.covidien.com [1] and www.pmi2.com [2]

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