



June 10, 2009

Dear Nuclear Medicine Professional:

Covidien understands the importance of providing timely updates to the current molybdenum 99 (Mo 99) shortage, and we are committed to relaying details to you as they become available.

The National Research Universal (NRU) reactor in Chalk River, Canada, will be out of service for at least three months as reported by the Atomic Energy of Canada Ltd.¹ The High Flux Reactor (HFR) in Petten, The Netherlands, is back online after a brief shutdown last week, with increased Mo 99 output likely for the next several weeks. There is a planned HFR shutdown in early July that is expected to last a few days. Routine HFR maintenance is also scheduled in mid-July, with down time of about four weeks expected. During these shutdowns, other Mo 99 reactors in Europe and South Africa are scheduled to be operational to provide supply.

On-going maintenance for these aging medical isotope reactors is crucial and required. *Routine* reactor shutdown schedules are carefully orchestrated. The reactor operators share maintenance schedules and coordinate routine shutdowns well in advance to help minimize patient-care disruption. Technetium 99m (Tc 99m) generator manufacturers like Covidien are aware of these maintenance calendars, and we make arrangements to supplement normal Mo 99 supply as needed. However, when a reactor is forced into an unplanned shutdown—particularly an extensive one—availability of supply becomes a greater challenge.

For the HFR shutdown next month, we have made arrangements through our diversified supply chain giving us access to the remaining online reactors in Belgium and South Africa. We have increased orders for Mo 99 from each reactor to partially offset the shortages caused by the HFR routine maintenance and the ongoing NRU reactor shutdown. However, we expect there will still be a global shortage of Tc 99m generators during this period.

The calendar below details anticipated Covidien generator and unit dose (UD) Tc 99m supply to the overall U.S., Canadian and Latin American markets through August 2009. Green days mean 100 percent or more of *normal* generator production is expected (based on pre-NRU shutdown capacity); yellow shows some shortages are likely; and orange projects severe shortages. Distribution will be thoughtfully administered throughout this time. NOTE: Daily projections are based on current information and are subject to change.

JUNE							JULY							AUGUST						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
	1	2	3	4	5	6				1	2	3	4							1
7	8	9	10	11	12	13	5	6	7	8	9	10	11	2	3	4	5	6	7	8
14	15	16	17	18	19	20	12	13	14	15	16	17	18	9	10	11	12	13	14	15
21	22	23	24	25	26	27	19	20	21	22	23	24	25	16	17	18	19	20	21	22
28	29	30					26	27	28	29	30	31		23	24	25	26	27	28	29
														30	31					

- Current standing generator orders are expected to be met, with some extra supply likely; minimal Tc-99m UD impact
- Current standing generator orders are expected to be met, but no extra; some Tc-99m impact and UD reductions
- Shortages expected to current standing generator orders, significant Tc-99m shortage and UD impact

Covidien is also aware of the extensive required maintenance and repair shutdown for HFR targeted for first quarter 2010, which is expected to last a number of months. We will continue bolstering our arrangements with the remaining online reactors in the coming months to obtain the maximum Mo 99 available, doing everything possible to minimize patient impact.

Regardless of generator supply levels—above, at or below normal production— Covidien endeavors to fairly and thoughtfully distribute our available isotope supply to reach as many patients as practicable in the U.S., Europe, Latin America, Canada and parts of Asia guided by these principles:

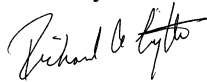
- Minimize global and local patient impact to the extent possible
- Service existing customer orders
- Respect contractual agreements
- Fairly distribute available supply globally

Some have asked about our stance on generator pricing. At any given time, Tc 99m generator pricing reflects the need to invest in stabilizing the supply chain over the long term, and it also covers operating costs. Recent events, including the Chalk River and HFR shutdowns, have led to industry-wide Mo 99 cost increases. As these costs impact our operations and ability to invest in the business, we expect pricing will be adjusted in the months ahead.

To learn more about the current Mo 99 supply situation, please visit the special update page on our web site at www.covidien.com/Mo99supply. We have also created a special e-mail account and invite you to send questions to: MolyGlobalCommunications@covidien.com.

In addition, many Covidien representatives will be at the Society of Nuclear Medicine meeting from June 13-16 in Toronto, and we welcome the opportunity to talk with you about this current challenge and our shared commitment to nuclear medicine and its future. If you are attending the meeting as well, please visit Covidien in exhibit 1346 to speak with one of us.

Sincerely,



Richard A. Lytle
Vice President & General Manager, U.S.
Imaging Solutions

¹ “Status Report # 6 - AECL begins removal of fuel rods on NRU reactor”, available at http://www.aecl.ca/NewsRoom/Community_Bulletins/090602-2.htm. Last accessed June 9, 2009.