



August 13, 2009

Dear Valued Customer:

On August 12, the global nuclear medicine community received a status update from Atomic Energy of Canada Limited (AECL), MDS Nordion's primary supplier of medical isotopes, regarding an updated return to service date of the National Research Universal (NRU) reactor. Based on the most recent data from the ongoing assessment of the NRU reactor, progress on the repair strategies and the critical path requirements for the NRU restart, AECL indicated that the reactor will return to service during the first quarter of 2010.

According to the recent NRU status update, the data collected confirms that nine sites likely require repair. AECL is considering applying the weld build-up technique over a broader area or band at the inside base of the reactor vessel wall, which will address all nine sites that have been identified. Based on the application of the band weld build-up technique and the increased numbers of sites, guidance on the return to service date has been extended. To see the complete NRU Status Update #16, please visit the *Returning the NRU to Service* Website at www.nrucanada.com.

AECL states that the evidence collected to date continues to support its view that the necessary vessel repairs can be made and that the NRU will return to service. In the interim, MDS Nordion will continue to work closely with its global supply network to source additional isotopes; however, the Company anticipates that the medical community and patients will continue to experience significant shortages while the NRU is down. Of additional concern is that according to the July 16, 2009 reactor schedule provided by the Association of Equipment Producers & Equipment Suppliers (AIPES), only one of the three reactors in Europe will be operating at any given time from late June through to mid-October. As such, MDS Nordion expects to receive little, if any, molybdenum-99 from alternative suppliers during this period.

MDS Nordion continues to believe that the solution to the global medical isotope crisis is in Canada. The infrastructure is in place, and with the assistance of an international consortium of nuclear experts, MDS Nordion contends the MAPLE facilities could be producing medical isotopes to the benefit of patients worldwide.

In addition to MAPLE, MDS Nordion will continue to examine other supply alternatives. On June 15, 2009, MDS Nordion announced an agreement with the Karpov Institute of Physical Chemistry in Russia to study the feasibility of the Karpov Institute providing the Company with a viable and reliable supply of Mo-99 for the global nuclear medicine market. And on April 28, 2009, MDS Nordion announced an agreement with TRIUMF, Canada's national laboratory for particle and nuclear physics, to study the feasibility of producing a viable and reliable supply of photo fission-based Mo-99.

MDS Nordion remains committed to the reliable, long-term supply of medical isotopes for patients, and is taking every step possible to support the nuclear medicine community. MDS Nordion will continue to provide updates as more information becomes available.

Sincerely,

A handwritten signature in black ink that reads "Chris Wagner". The signature is fluid and cursive, with a long horizontal stroke at the end.

Chris Wagner
Senior Vice-President, Sales and Marketing