



July 9, 2009

Dear Valued Customer:

On July 8, 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 the shutdown of the National Research Universal (NRU) reactor. Based on the most recent data from the ongoing assessment of the NRU reactor and the development of a critical path toward making the requisite repairs, AECL announced that the reactor will not return to service "before late 2009."

In yesterday's status update, Bill Pilkington, AECL's Senior Vice-President and Chief Nuclear Officer, said that "all of the evidence to date supports the view that the NRU can be successfully returned to service. We have the experience and know-how to bring the NRU back into service safely and in the shortest time possible." To see the complete NRU Status Update #11, please visit the *Returning NRU to Service Website* at www.nrucanada.com.

The update from AECL further emphasizes the risk and fragility of the world's supply of medical isotopes. Although MDS Nordion continues to work closely with its global supply network to source additional isotopes, the Company anticipates that the medical community and patients will continue to experience significant shortages while the NRU is down. Supply will be further constrained beginning in mid-July by the planned four-week shutdown of the High Flux Reactor (HFR) in Petten, The Netherlands. Of additional concern is that according to the June 8, 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 July through to end of October. As such, MDS Nordion expects to receive little, if any, molybdenum-99 from alternative suppliers during this period.

Actions by MDS Nordion to Address Medical Isotope Supply

MDS Nordion has long recognized the need to secure a stable supply of medical isotopes for patients in Canada and around the world. To this end, in 1996, MDS contracted with AECL to construct and deliver two isotope production reactors and a processing facility dedicated solely to the production of medical isotopes to replace the NRU reactor, a collaboration that became known as the MAPLE project. On May 16, 2008, the Government of Canada and AECL unilaterally announced that the MAPLE project would be discontinued without disclosing a long-term plan for the supply of medical isotopes beyond the intent to extend the license of the NRU to 2016.

MDS Nordion continues to believe that the solution to the global medical isotope crisis is in Canada. The Company continues to urge the Government of Canada and Atomic Energy of Canada Limited to complete the MAPLE project to address the global shortage of medical isotopes. A growing number of organizations and scientific experts disagree with the Government's position, and believe that the MAPLE reactors are safe, that the reactors work, and that any technical challenges can be overcome to bring the MAPLEs into service.

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.

In the interim, if you have any questions, please don't hesitate to contact us directly.

Sincerely,

A handwritten signature in black ink that reads "Chris Wagner". The signature is written in a cursive style with a long, horizontal flourish extending to the right.

Chris Wagner
Senior Vice-President, Sales and Marketing