August 27, 2008

Dear Valued Customer:

As your nuclear medicine partner, we are committed to keeping you updated on issues that may impact patient access to radiopharmaceutical products. Last week, NRG notified the industry of a problem with its High Flux Reactor (HFR) in Petten, The Netherlands. The HFR, one of only a handful of medical isotope reactors in the world, is Covidien’s primary source of Mo 99, the parent isotope of Tc 99m. NRG reports that the reactor will be down for approximately one month. We recently were informed that another medical isotope reactor in Europe is also experiencing production related issues.

To maximize patient access to Tc 99m, we immediately secured additional Mo 99 to help offset the shortfall to Covidien caused by the HFR shutdown. Covidien maintains strong relationships with reactor operators in Europe, Canada and South Africa. This diversity of supply helps us to better manage the fragile nuclear medicine supply chain when one of our suppliers unexpectedly discontinues production.

Based on current Mo 99 supplier commitments, we expect to meet all Ultra-Technekow™ DTE (technetium Tc 99m generator) standing orders through Friday, August 29. For the week of August 31, we expect that a reduced supply of Mo 99 will result in the following U.S. facility production schedule:

- Sunday, August 31: All standing orders will be filled; however, an approximate 25% Mo 99 shortfall will result in generator size reductions on all shipments.
- Monday, September 1 (Labor Day): No generator orders will be filled.
- Wednesday, September 3: All standing orders will be filled; however, an approximate 50% Mo 99 shortfall will result in generator size reductions on all shipments.
- Friday, September 5: No generator orders will be filled.

This schedule reflects Covidien's need to allocate its generator production globally to customers in the U.S., Europe, Latin America, Canada and parts of Asia. We have thoughtfully designed our distribution of raw materials and resulting finished goods production in an effort to minimize impact to patients in all regions.

These projections could change if Mo 99 supply availability from the other reactors is different than anticipated. In addition, we are continuing to work with suppliers to confirm the availability of Mo 99 during the remainder of the HFR shutdown. We will provide updated information as this situation evolves.

Our highest priority is the patient, and our goal is to ensure the availability of products to help improve patient outcomes. If you have additional questions, please contact your Covidien Imaging Solutions sales representative, or call Customer Service at 888-744-1414. Your continued support is appreciated.

Sincerely,

Rick Lytle
General Manager