

September 10, 2008

Dear Covidien Generator Customer,

We are committed to providing timely information to you regarding the available supply of Ultra-Technekow<sup>TM</sup> DTE (technetium Tc 99m generators) to best meet your customer and patient needs. As we recently informed you, unprecedented challenges currently exist with our suppliers of Molybdenum Mo 99. Of the five medical isotope reactors in the world, three are either down for scheduled maintenance or experiencing production issues. Covidien obtains Mo 99 from each of the five reactors, with our primary supply normally coming from one of the reactors that is experiencing unscheduled production problems, NRG's High Flux Reactor in The Netherlands. The combined effect of having three reactors down at once is significantly limiting the Mo 99 available to Covidien for use in producing Tc 99m generators.

Upon learning of the first situation on August 22, we immediately increased our orders with the two remaining Mo 99 suppliers. Those suppliers are providing additional Mo 99 to us, but the long-term extent of that increased supply is unknown. We are in daily contact with the remaining Mo 99 suppliers, but will have relative certainty of Mo 99 availability only within a few days of manufacture. Because of uncertainty about both the re-start of production at the three reactors that are currently down and the availability of supply from the functioning reactors, generator availability from Covidien will vary on a daily basis over the coming weeks, from as high as 100% on some days to approximately 20% on others. A chart detailing our expected production through the end of September is attached. 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 Mo 99 and generators to minimize impact to patients in all regions.

Please note that our projections are estimates, which may vary for reasons outlined above. We will continue to update you as more information becomes available. At present, we anticipate resuming normal generator production by mid-October. This situation is fluid, however, and could either improve or deteriorate depending on factors outside of our control.

We will provide updates to you in two ways. For your continuing generator orders, we will contact you about availability before each of your order dates. We will also provide more general updates as conditions evolve.

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 greatly appreciated.

Sincerely,

Richal a Lights

Rick Lytle General Manager

Attachment 1 (CovGenProdSched 9-08)

675 MCDONNELL BLVD. HAZELWOOD, MO 63042 314-654-2000 [T]



## ATTACHMENT 1

## Covidien Ultra-Technekow<sup>™</sup> DTE (technetium Tc 99m generators) Expected U.S. Production Levels during Global Isotope (Mo 99) Shortage

## September 2008

Sun	Mon	Tue	Wed	Thu	Fri	Sat
	1 Labor Day	2	3	4	5	6
7	8	9	<b>10</b> 100% supply (No shortage)	11	12 100% supply (No shortage)	13
<b>14</b> 20-60% supply (40-80% short)	<b>15</b> 20-50% supply (50-80% short)	16	<b>17</b> 100% supply (No shortage)	18	<b>19</b> 100% supply (No shortage)	20
<b>21</b> 20-50% supply (50-80% short)	22 20-50% supply (50-80% short)	23	24 20-50% supply (50-80% short)	25	26 100% supply (No shortage)	27
28 100% supply (No shortage)	29 100% supply (No shortage)	30	October 1 100% supply (No shortage)			

## Notes:

- All production levels are estimates and subject to change based on reactor supplier yields and other factors.
- Individual customer access may vary depending on available generator sizes and transportation logistics.
- Above projections apply to Covidien's generator customer shipments only. Tc 99m availability to end-users may vary based on each customer's diversity of supply from other manufacturers.
- Customers will be contacted prior to ship date with actual size(s) if different from standing order.
- Generators are produced and shipped from our U.S. production facility on Sunday, Monday, Wednesday, and Friday, for customer receipt and use the following day.
- For additional information, please contact your Covidien Imaging Solutions sales representative, or call Customer Service at 888-744-1414.