



nordion
SCIENCE ADVANCING HEALTH

Investor Presentation

April 2012

www.nordion.com

Caution on forward looking statements



This presentation contains forward-looking statements, within the meaning of applicable securities laws, including under applicable Canadian securities laws and the “safe harbour” provisions of the United States Private Securities Litigation Reform Act of 1995. These statements can be identified by expressions of belief, expectation or intention, as well as those statements that are not historical fact. The words “may”, “will”, “could”, “should”, “would”, “outlook”, “believe”, “plan”, “anticipate”, “estimate”, “project”, “expect”, “intend”, “indicate”, “forecast”, “objective”, “optimistic”, and similar words and expressions are also intended to identify forward-looking statements. Forward-looking statements are necessarily based on estimates and assumptions made by us in light of our experience and our perception of historical trends, current conditions and expected future developments, as well as other factors that we believe are appropriate in the circumstances, but which are inherently subject to significant business, political, economic and competitive uncertainties and contingencies. Known and unknown factors could cause actual results to differ materially from those projected in the forward-looking statements. Accordingly, this release is subject to the disclaimer and qualified by the assumptions, qualifications and risk factors referred to in our 2011 Annual Information Form (AIF). Factors that could cause actual results or events to differ materially from current expectations include, but are not limited to, fluctuations in supply and demand, pricing pressures and rising costs, changes in currency and exchange rates and potential adverse developments in new and pending legal proceedings or regulatory investigations, as well as the risk factors which are described in section 5 of our 2011 AIF and in our other filings with the Canadian provincial securities commissions and the US Securities and Exchange Commission, and our success in anticipating and managing those risks. We caution readers not to place undue reliance on the Company’s forward-looking statements, as a number of factors could cause our actual results, performance or achievements to differ materially from the beliefs, plans, objectives, expectations, anticipations, estimates and intentions expressed in such forward-looking statements. The Company does not assume any obligation to update or revise any forward-looking statements, whether written or oral, that may be made from time to time by us or on our behalf, except as required by applicable law.

Nordion overview



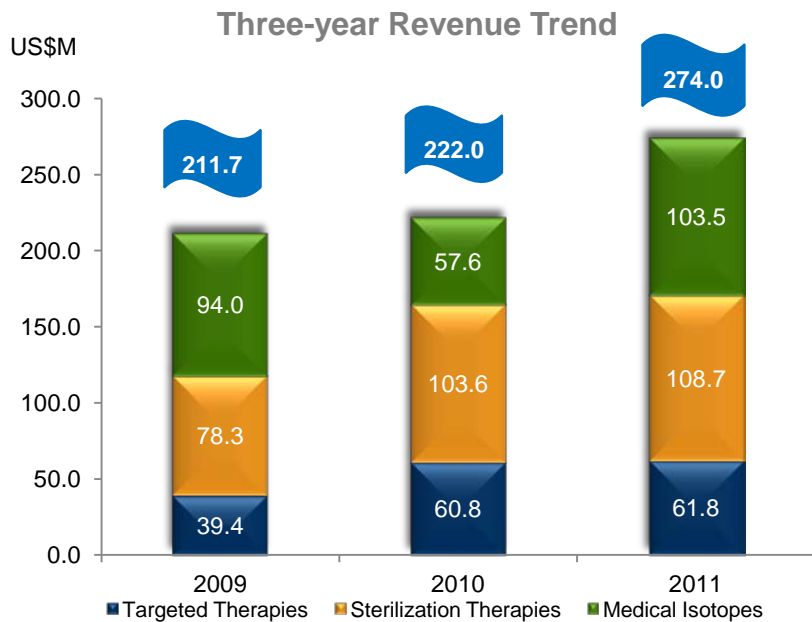
A **global health science leader** that develops and commercializes market-leading products used for the prevention, diagnosis and treatment of disease.

LISTED ON
NYSE and TSX

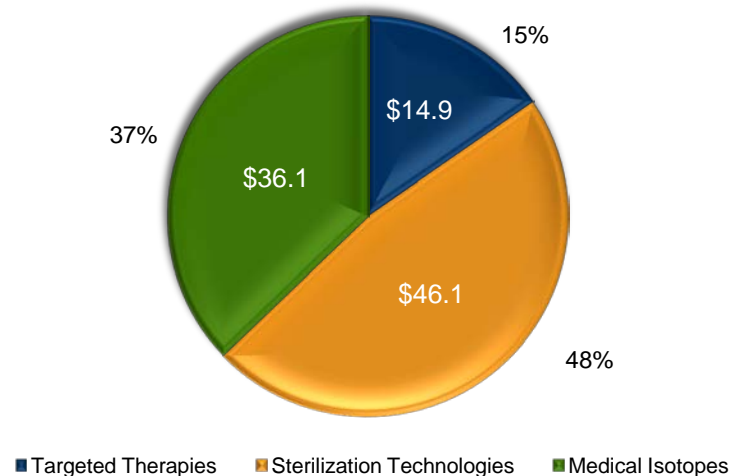
MARKET CAP
**US\$562
MILLION**
(as of April 9/12)

SHARES
OUTSTANDING
62.0 MILLION
(as of January 31/12)

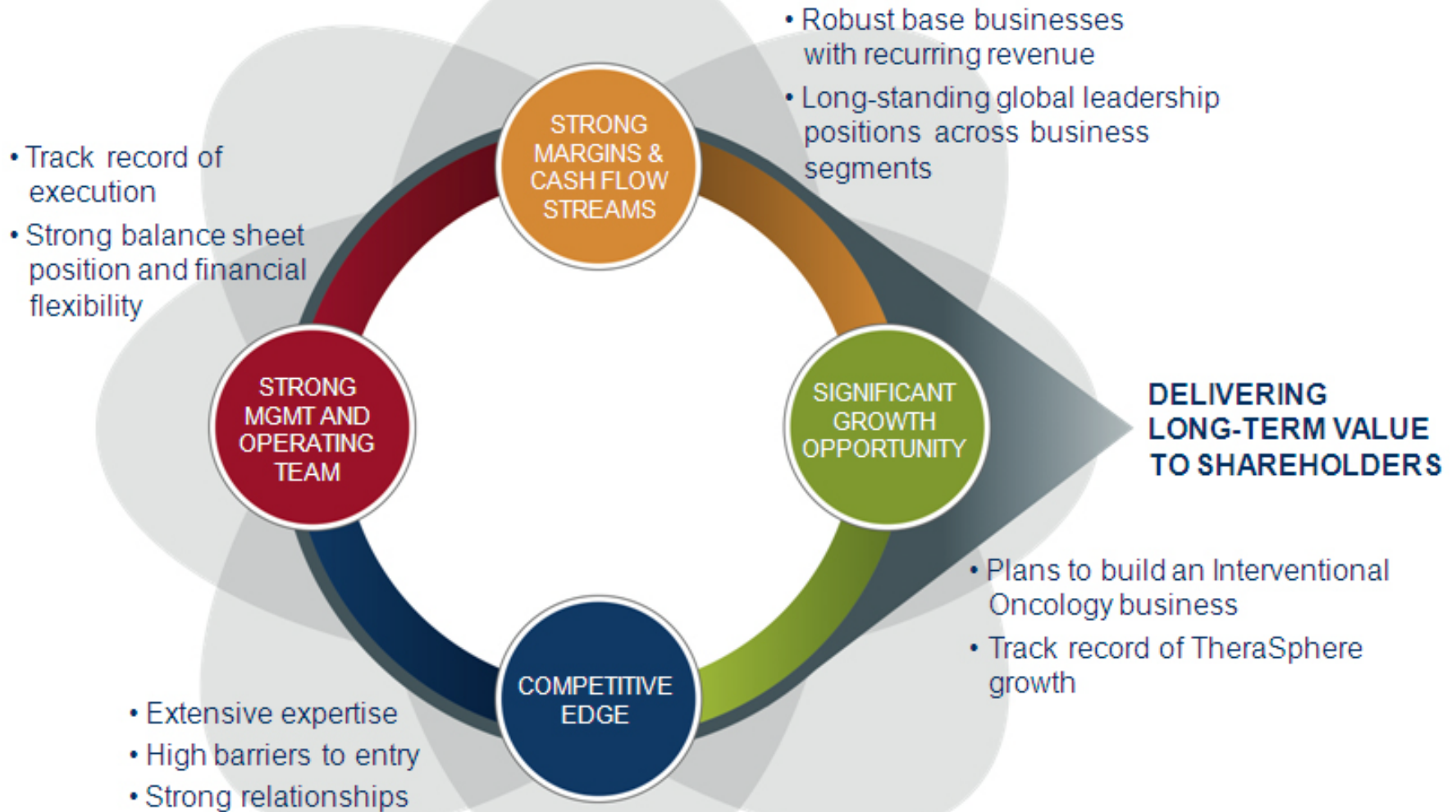
QUARTERLY
DIVIDEND
US\$0.10/ SHARE
(4.4% YIELD)



2011 Segment Earnings (US\$M)



Nordion's investment proposition



Nordion's business strategy



Targeted Therapies



Strategy

Build an Interventional Oncology business

Position

- ✓ A leader in interventional liver cancer treatment (TheraSphere®)
- ✓ Attractive growth opportunity

Sterilization Technologies



Maintain Sterilization business and selectively invest in growth opportunities

- ✓ Global leader in the supply of Cobalt-60
- ✓ Strong cash flow generator
- ✓ Steady growth over long-term

Medical Isotopes



Optimize Medical Isotopes business

- ✓ A global leader in the supply of medical isotopes
- ✓ Strong cash flow generator

TheraSphere®: Strong growth opportunity



POSITION

A leader in interventional liver cancer treatment with TheraSphere®

STRATEGY

Build an Interventional Oncology business

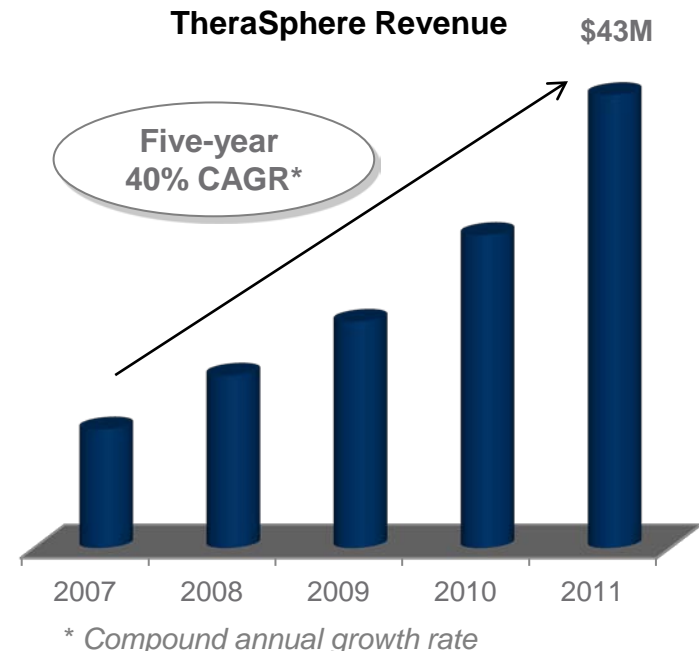
ATTRACTIVE GROWTH OPPORTUNITY

A medium sized market with opportunity for growth:

- Geographic expansion
- M&A opportunities
- New medical indications
- Innovative customers

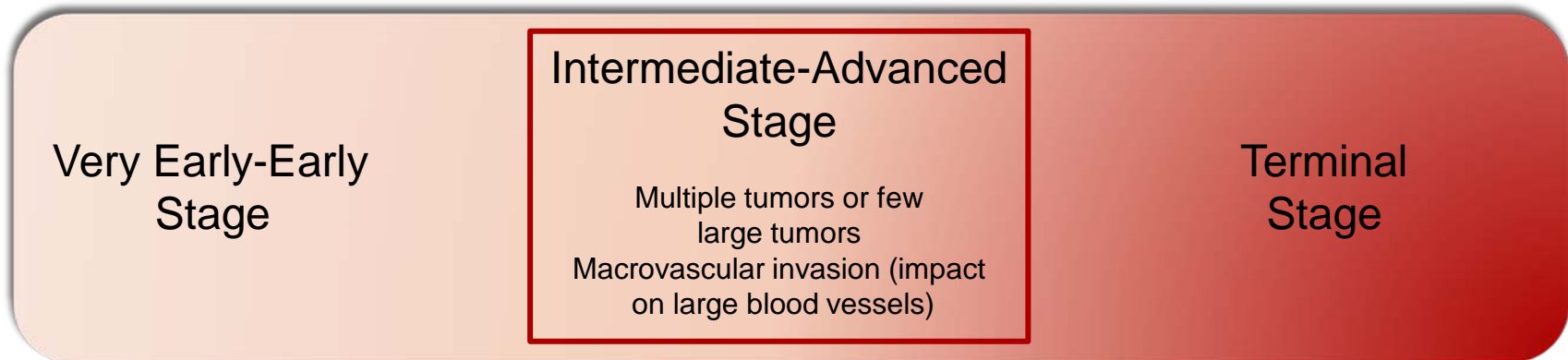
TheraSphere is currently in Phase III clinical trials for primary and secondary liver cancer

Established Sales & Marketing channel with logistic/regulatory expertise



A powerful, well-tolerated Y-90 glass microsphere for transarterial radioembolization (TARE) in inoperable liver cancer

- ✓ Minimally-invasive targeted treatment limiting damage to surrounding tissue
- ✓ Outpatient procedure (administration occurs in < 10 minutes)
- ✓ Low toxicities
- ✓ Offers versatility for other treatment options
- ✓ Shelf life of 12 days allowing for global distribution



TheraSphere is primarily used in intermediate-to-advanced liver cancer

TheraSphere's sales growth

Growing TheraSphere Share in the Y-90 Microspheres Market*



* Based on companies' respective fiscal year reports

TheraSphere® Phase III clinical trials



Trial	Objective	Description
STOP-HCC	Evaluate the safety and efficacy of TheraSphere in the treatment of inoperable hepato cellular carcinoma (HCC)	<p># of patients: ~400 patients # of sites: Up to 40</p> <p>Patients receive TheraSphere prior to receiving standard protein kinase inhibitor therapy vs. protein kinase inhibitor</p> <p>Primary endpoint: Overall survival</p>
EPOCH	Evaluate safety and efficacy of TheraSphere in the treatment of liver metastases in colorectal cancer patients	<p># of patients: ~360 patients # of sites: Up to 30</p> <p>Patients receive TheraSphere + second-line chemotherapy vs. chemotherapy</p> <p>Primary endpoint: Progression-free survival</p>
Yes-P	Evaluate in treatment of HCC, in a subset with portal vein thrombosis	Design & protocol in planning
Total estimated cost	\$15 million to \$20 million per trial over approx. five years	

For PMA registration

For Differentiation

POSITION

Global leader in the supply of Cobalt-60

STRATEGY

Maintain Sterilization business and selectively invest in growth opportunities

ATTRACTIVE BUSINESS CHARACTERISTICS

High gross margin business (50%)

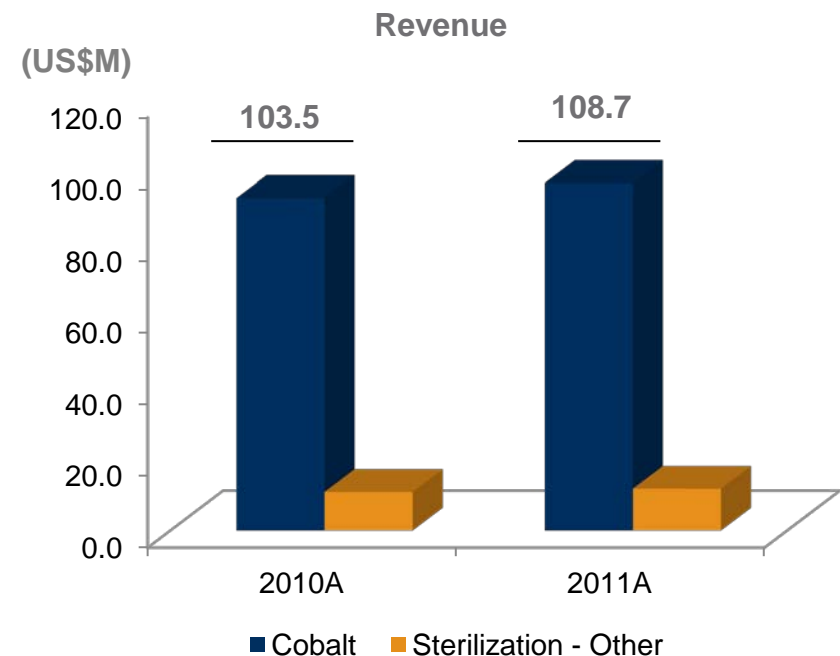
“razor/razor blade” recurring revenue model

Low maintenance capital requirements

Strong cash flow generation

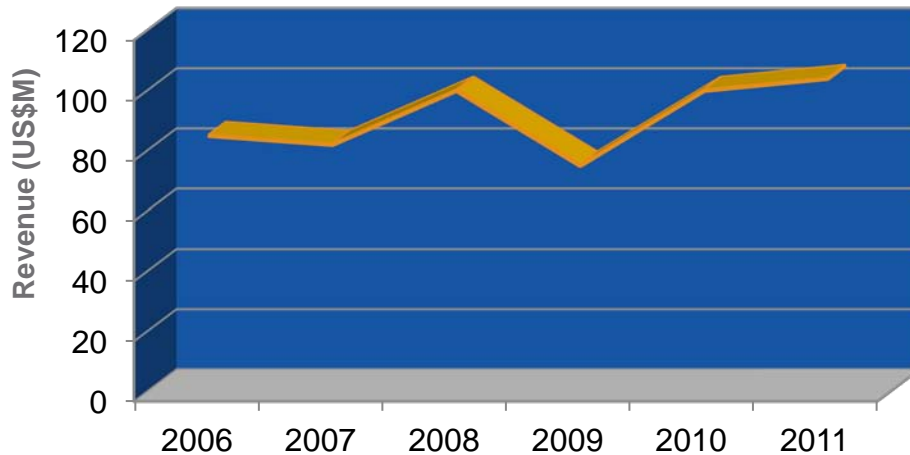
High barriers to entry

Stable suppliers and long-term customer contracts



Building leadership in gamma sterilization

Long-Term Sterilization Technologies Revenue Growth



Five-year 4% CAGR

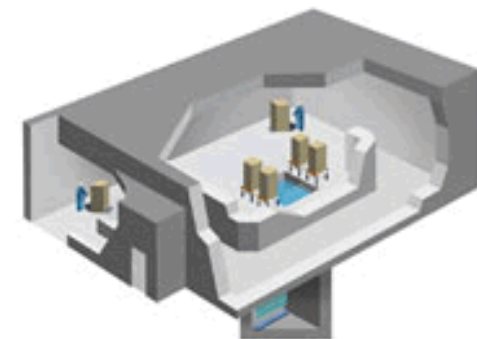


GammaFIT™

The First in Flexible Irradiator Technology



- Targeting emerging markets
- Lower-cost of entry for customers



R&D Small Scale

POSITION

A global leader in the supply of medical isotopes; sole Mo-99 processor in North America

STRATEGY

Optimize Medical Isotopes business

ATTRACTIVE BUSINESS CHARACTERISTICS

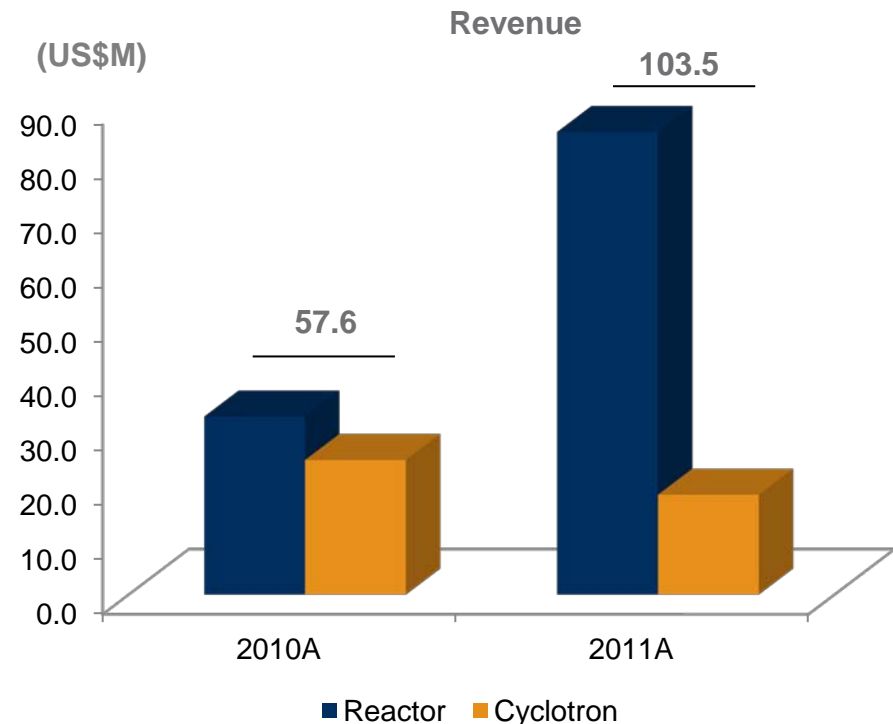
High gross margin business (~50%)

Strong cash flow generation

Low maintenance capital requirements

Exclusive, long-term contracts with isotope suppliers

High barriers to entry



MAPLE arbitration

2008

Canadian Government and AECL unilaterally announced discontinuation of the MAPLE project

Ongoing

Confidential arbitration hearings expected to be completed in May 2012

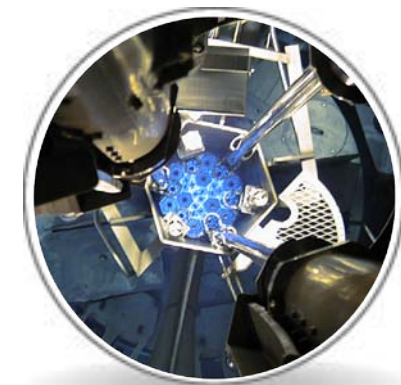
- Nordion had contributed >\$350MM toward the project prior to discontinuation
- Nordion believes it has a strong, meritorious case

1996

AECL contracted to build two MAPLE reactors

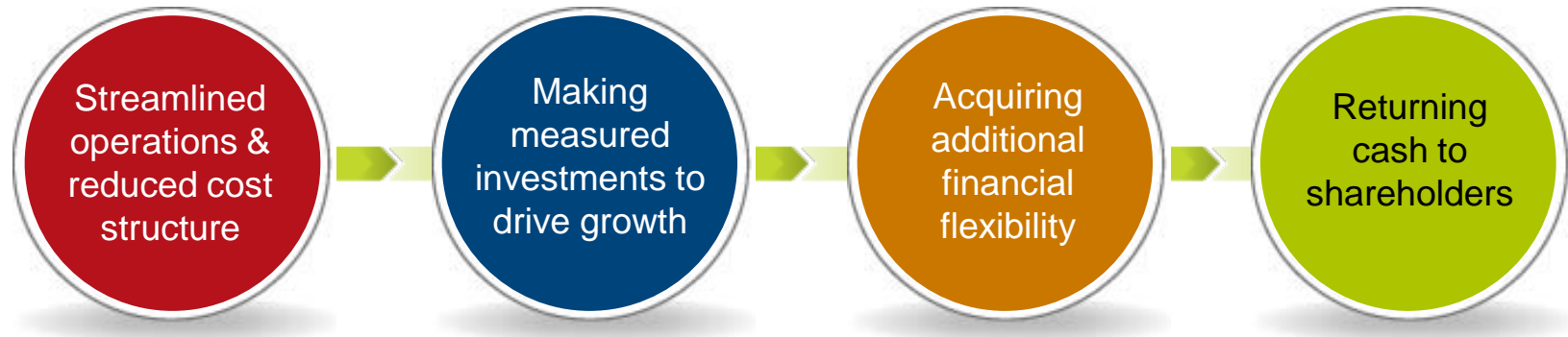
2008

Nordion filed for arbitration against AECL and a C\$1.6 billion lawsuit against AECL and the CDN Government



Each of the two MAPLE reactors were able to supply over 100% of the world's Mo-99 needs

Track record of disciplined financial management



- Corporate restructuring to support strategic priorities (expected **\$2M annual savings**)
- Belgian ops divestiture **eliminates US\$2M loss/quarter**
- Corporate SG&A **reduced** to approx. **US\$3M/quarter**

- Initiated **two Phase III clinical trials** for TheraSphere
- Planning randomized PVT trial for TheraSphere

- Secured **US\$75M** credit facility

- Quarterly dividend of US\$0.10 per share
- Repurchased 5.2M shares at aggregate cost of **US\$55.4M**; NCIB renewed in Jan 2012
- **Returned US\$71.6M** to shareholders in F2011 through dividends & buybacks

SOLID CASH AND LIQUIDITY POSITION REFLECTED IN NOTABLE FINANCIAL ASSETS:

\$US millions (as of January 31, 2012)

Cash & cash
equivalents

71

+

AECL note
receivable

9

=

Total

80



> \$1/share in cash assets

Deferred
tax asset

81



Offsets Canadian federal
cash tax translating to
\$81M of cash savings

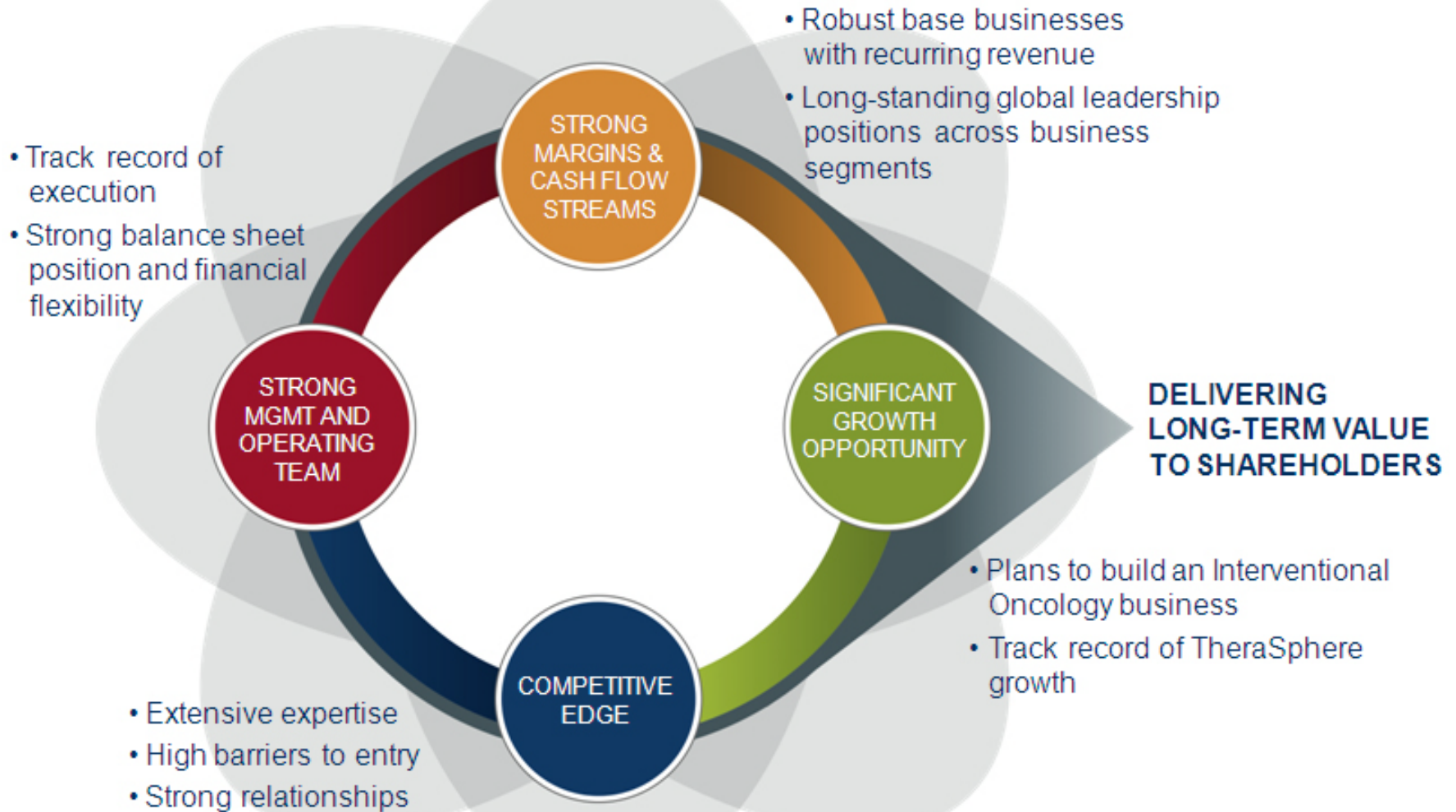
Financial
instrument

44



Fully defeases financial
debt of \$44M

Nordion's investment proposition



APPENDIX

An strong management team with global experience



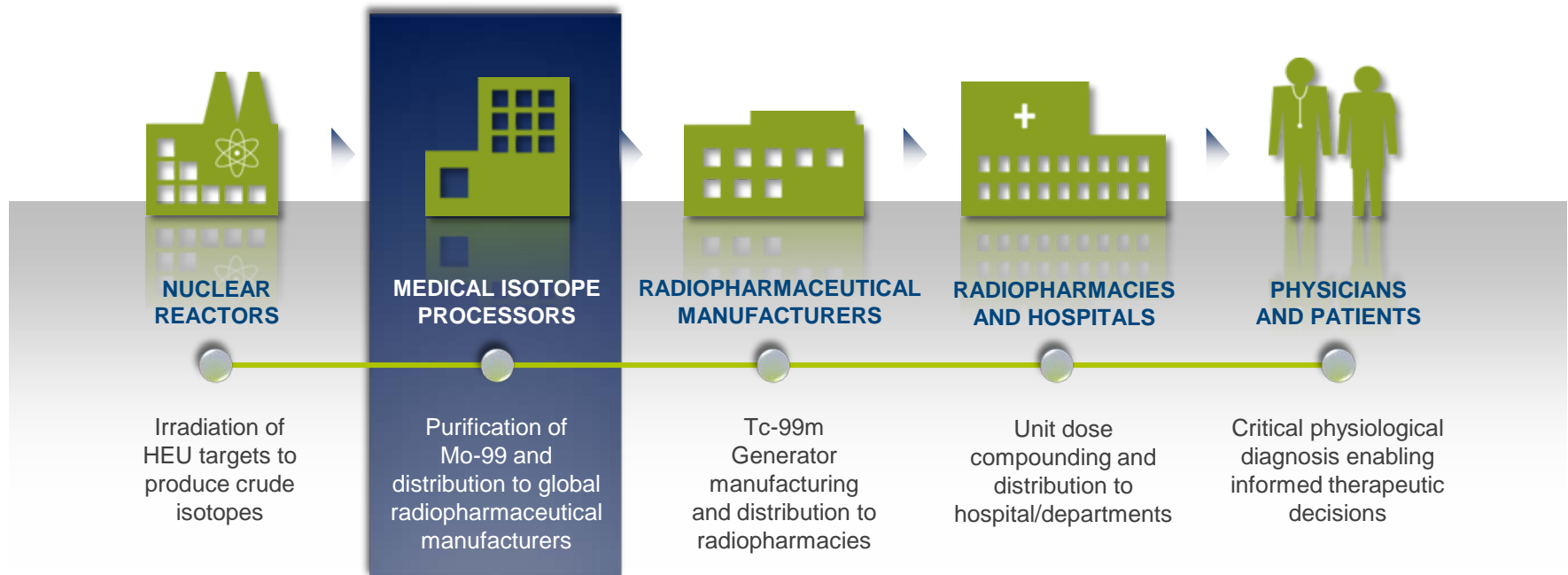
Nordion's competitive value proposition

- Effective management of time sensitive medical isotope supply chain (Mo-99 half life is 66 hours)
- Efficient transportation and distribution system
- Quality processing of medical isotopes
- Knowledge of a highly regulated industry

**Limited Mo-99 supply
(5 major reactors)**

**Highly complex
infrastructure requirements**

Strict regulatory requirements



Securing long-term Mo-99 supply

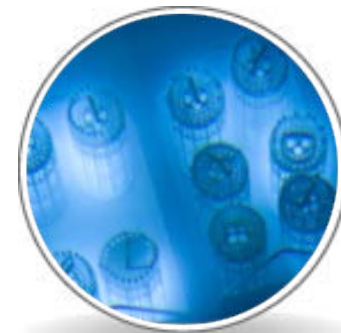
Exclusive medical isotopes supply agreement with National Research Universal (NRU) reactor

- NRU reactor re-licensed to operate until 2016

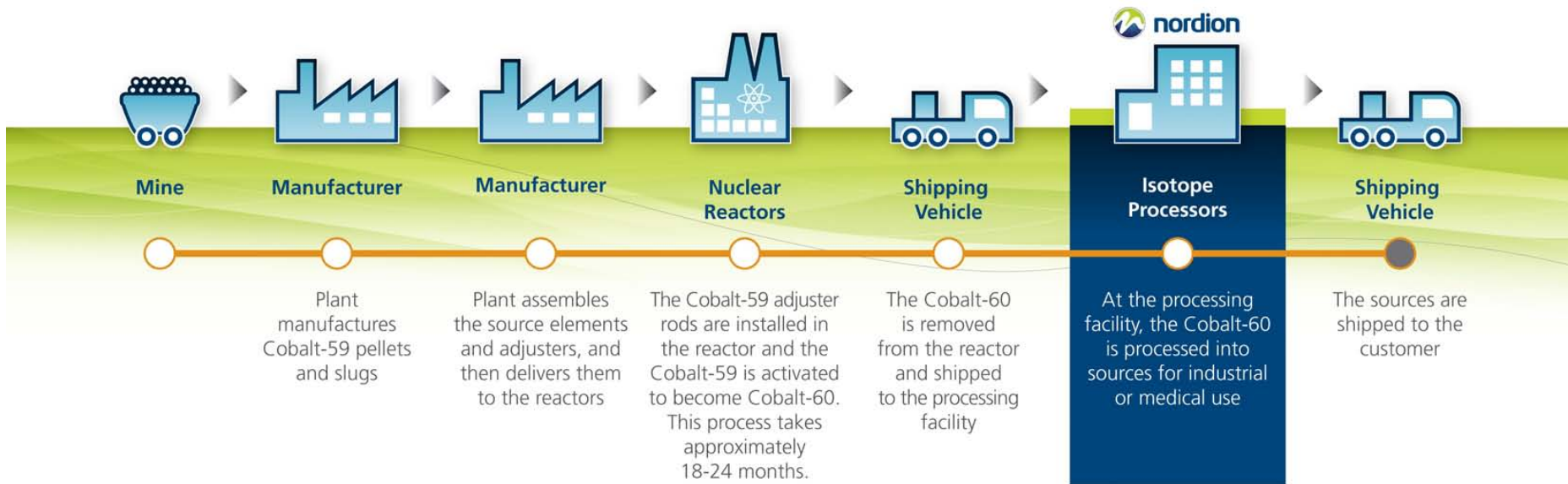
Exclusive Mo-99 supply agreement with Russia's Isotope

Continue to seek completion of MAPLE reactors


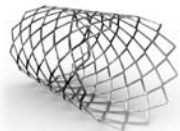

Continue to evaluate selective long-term supply options



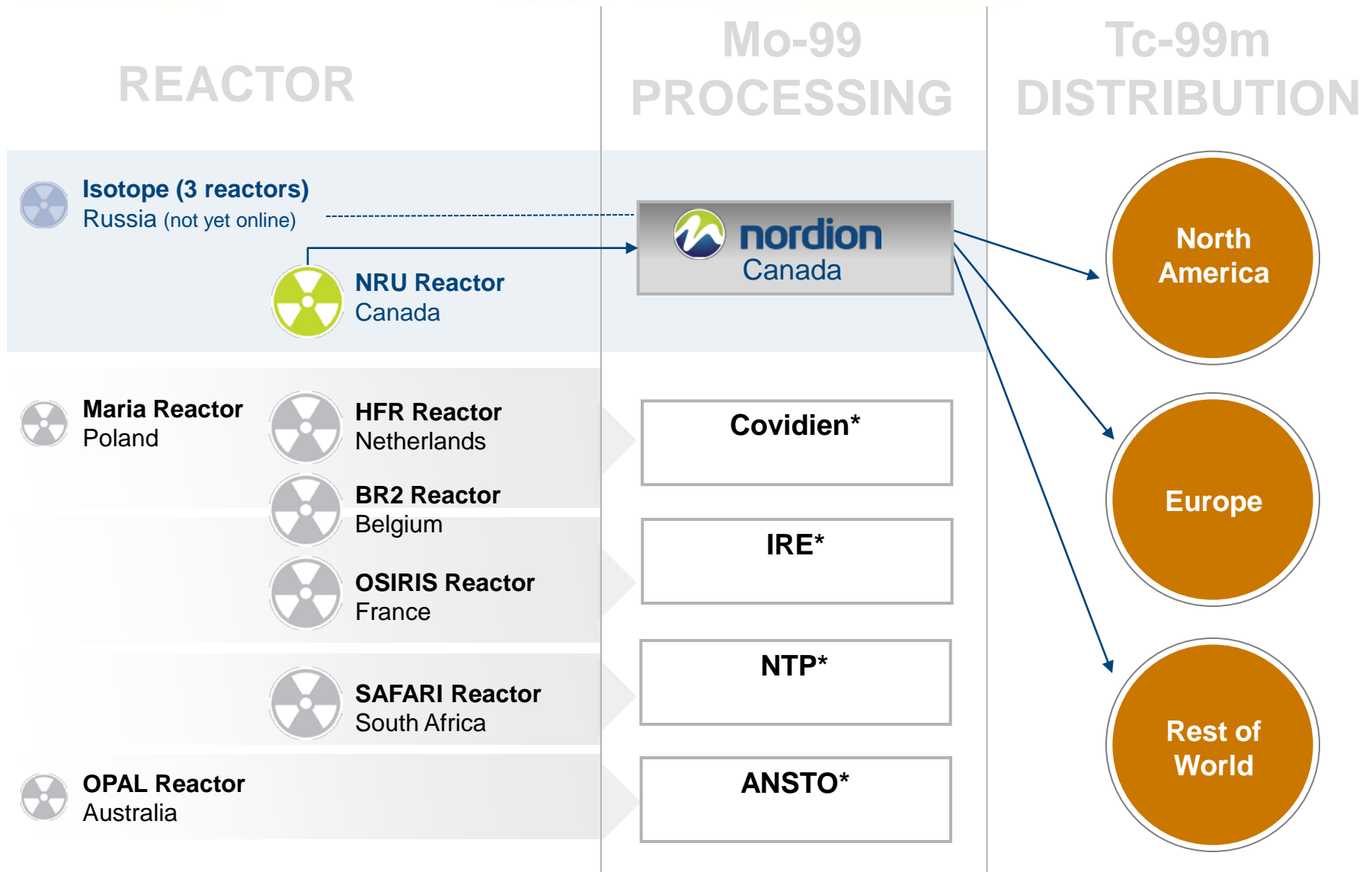
Cobalt-60 production process



Sterilization market segmentation

	MARKET MIX	PRODUCTS	DRIVERS
 MEDICAL & SURGICAL	80%	<ul style="list-style-type: none"> • Syringes • Catheters • Drapes, gowns • Sutures, gloves 	<ul style="list-style-type: none"> + Aging population - Min invasive surgery - Smaller devices - Material
 BIO-ACTIVE DEVICES	10%	<ul style="list-style-type: none"> • Stents • Patches • Tissue • Regen medicine 	<ul style="list-style-type: none"> + Aging population + Enhance devices + Leverage drugs + Stem cell research
 FOOD SAFETY	10%	<ul style="list-style-type: none"> • Fruits & vegetables • Spices • Meat and poultry • Ready To Eat (RTE) 	<ul style="list-style-type: none"> + FDA labeling + USDA FEA + Food safety concerns

Nordion: A large scale Mo-99 producer



* Distributing to various geographies

Reconciliation of segment earnings to GAAP operating earnings



(US\$M, unless otherwise noted)	Q1 2012	Q1 2011
Segmented Earnings	\$13.4	\$22.6
D&A	5.2	5.4
Restructuring (recovery) charges	(0.6)	(0.3)
AECL arbitration/legal costs	1.9	3.6
Loss on Celerion note receivable	2.4	-
Change in fair value of embedded derivative	6.2	(18.6)
Operating Income (Loss) from continuing operations	\$(1.7)	\$32.5