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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-K

(Mark One)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2012

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission File Number 333-169785

LANTHEUS MEDICAL IMAGING, INC.

(Exact name of registrant as specified in its charter)

Delaware	**51-0396366**
(State of incorporation)	(IRS Employer Identification No.)
331 Treble Cove Road, North Billerica, MA	**01862**
(Address of principal executive offices)	(Zip Code)

(978) 671-8001

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act: **None**

Securities registered pursuant to Section 12(g) of the Act: **None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☐ No ☒

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this form 10-K or any amendment to this form 10-K ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐	Accelerated filer ☐	Non-accelerated filer ☒ (Do not check if a smaller reporting company)	Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined by Rule 12b-2 of the Act) Yes ☐ No ☒

The registrant is a privately-held corporation, and accordingly, as of June 30, 2012, there is no public market for its common stock. The registrant had one thousand shares of common stock, $0.01 par value per share, issued and outstanding as of March 28, 2013.

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EXPLANATORY NOTE

The registrant has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, during the preceding 12 months but is not subject to such filing requirements.

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PART I

Cautionary Note Regarding Forward-Looking Statements

Some of the statements contained in this annual report are forward-looking statements. Such forward-looking statements are subject to risks and uncertainties, including, in particular, statements about our plans, strategies, prospects and industry estimates. These statements identify prospective information and include words such as "anticipates," "intends," "plans," "seeks," "believes," "estimates," "expects," "should," "predicts," "hopes" and similar expressions. Examples of forward-looking statements include, but are not limited to, statements we make regarding: (i) our liquidity, including our belief that our existing cash, cash equivalents and anticipated revenues are sufficient to fund our existing operating expenses, capital expenditures and liquidity requirements for at least the next twelve months; (ii) our outlook and expectations including, without limitation, in connection with continued market expansion and penetration for our commercial products, particularly DEFINITY; (iii) expected new product launch dates and market exclusivity periods; and (iv) outlook and expectations related to product manufactured at Ben Venue Laboratories, Inc., or BVL and Jubilant HollisterStier, or JHS. Forward-looking statements are based on our current expectations and assumptions regarding our business, the economy and other future conditions. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict. Our actual results may differ materially from those contemplated by the forward-looking statements. They are neither statements of historical fact nor guarantees or assurances of future performance. The matters referred to in the forward-looking statements contained in this annual report may not in fact occur. We caution you therefore against relying on any of these forward-looking statements. Important factors that could cause actual results to differ materially from those in the forward-looking statements include regional, national or global political, economic, business, competitive, market and regulatory conditions and the following:

- our dependence upon third parties for the manufacture and supply of a substantial portion of our products, including our current dependence on BVL, as one of our two manufacturers of DEFINITY and Cardiolite products and our sole source manufacturer for Neurolite until JHS becomes our primary supplier of DEFINITY, Cardiolite products and Neurolite;
- risks associated with the manufacturing and distribution of our products and the regulatory requirements related thereto;
- risks associated with the technology transfer programs to secure production of our products, at alternate contract manufacturer sites;
- our dependence on a limited number of third-party suppliers and the instability of global molybdenum-99, or Moly, supply;
- a sustained decrease in TechneLite generator demand following the end of the global Moly shortage;
- our dependence on key customers, primarily Cardinal Health, Inc., or Cardinal, United Pharmacy Partners, Inc., or UPPI, and GE Healthcare, for our nuclear imaging products, and our ability to maintain and profitably renew our contracts and relationships with those key customers;
- our ability to continue to increase segment penetration for DEFINITY in suboptimal echocardiograms;
- our ability to compete effectively;
- ongoing generic competition to Cardiolite products and continued loss of market share;

- the dependence of certain of our customers upon third-party healthcare payors and the uncertainty of third-party coverage and reimbursement rates;
- uncertainties regarding the impact of U.S. healthcare reform on our business, including related reimbursements for our current and potential future products;
- our being subject to extensive government regulation and our potential inability to comply with such regulations;
- risks associated with being able to negotiate relationships with potential strategic partners to advance our clinical development programs on acceptable terms, or at all;
- the extensive costs, time and uncertainty associated with new product development, including further product development relying on external development partners;
- our ability to complete our Phase 3 clinical program for our lead clinical candidate, flurpiridaz F 18, relying on external development partners together with our ability to obtain FDA approval and gain post-approval market acceptance and adequate reimbursement relying on commercial partners;
- potential liability associated with our marketing and sales practices;
- the occurrence of any side effects with our products;
- our inability to introduce new products and adapt to an evolving technology and diagnostic landscape;
- our exposure to potential product liability claims and environmental liability;
- our inability to protect our intellectual property and the risk of claims that we have infringed on the intellectual property of others;
- risks related to our outstanding indebtedness and our ability to satisfy such obligations;
- risks associated with the current economic environment, including the U.S. credit markets;
- risks associated with our international operations;
- our inability to adequately protect our facilities, equipment and technology infrastructure;
- our inability to hire or retain skilled employees and the loss of any of our key personnel;
- costs and other risks associated with the Sarbanes-Oxley Act and the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010; and
- other factors that are described in "Risk Factors," beginning on page 28.

Any forward-looking statement made by us in this annual report speaks only as of the date on which it is made. Factors or events that could cause our actual results to differ may emerge from time to time, and it is not possible for us to predict all of them. We undertake no obligation to publicly update any forward looking statement, whether as a result of new information, future developments or otherwise, except as may be required by law.

Trademarks

We own or have the rights to various trademarks, service marks and trade names, including, among others, the following: DEFINITY®, TechneLite®, Cardiolite®, Neurolite®, Ablavar®, Vialmix® and Lantheus Medical Imaging® referred to in this annual report. Solely for convenience,

we refer to trademarks, service marks and trade names in this annual report without the TM, SM and ® symbols. Such references are not intended to indicate, in any way, that we will not assert, to the fullest extent

permitted under applicable law, our rights to our trademarks, service marks and trade names. Each trademark, trade name or service mark of any other company appearing in this annual report, such as Myoview® and Optison® are, to our knowledge, owned by such other company.

Item 1. Business

Unless the context requires otherwise, references to the "Company," "Lantheus," "LMI," "our company," "we," "us" and "our" refer to Lantheus Medical Imaging, Inc. and its direct and indirect subsidiaries, references to "Lantheus Intermediate" refer to only Lantheus MI Intermediate, Inc., the parent of Lantheus, and references to "Holdings" refer only to Lantheus MI Holdings, Inc., the parent of Lantheus Intermediate.

Overview

We are a global leader in developing, manufacturing and distributing innovative diagnostic medical imaging agents and products that assist clinicians in the diagnosis of cardiovascular diseases such as coronary artery disease, congestive heart failure and stroke, peripheral vascular disease and other diseases. Our current marketed products are used by nuclear physicians, cardiologists, radiologists, internal medicine physicians, technologists and sonographers working in a variety of clinical settings. We sell our products to radiopharmacies, hospitals, clinics, group practices, integrated delivery networks, group purchasing organizations and, in certain circumstances, wholesalers. In addition to our marketed products, we have three candidates in clinical and pre-clinical development.

We market our products globally and have operations in the United States, Puerto Rico, Canada and Australia and distribution relationships in Europe, Asia Pacific and Latin America.

Our Products

Our products assist clinicians in the diagnosis of cardiovascular and other diseases. We believe our imaging agents provide physicians with improved diagnostic information that enables them to better identify and characterize—or rule out—disease, potentially achieve improved patient outcomes, reduce patient risk and contain overall costs across the healthcare system.

DEFINITY

DEFINITY is an ultrasound contrast imaging agent delivered intravenously and indicated for use in patients with suboptimal echocardiograms. Numerous patient conditions can decrease the quality of images of the left ventricle, the primary pumping chamber of the heart. Of the nearly 27 million echocardiograms performed each year in the United States, it is estimated that 20%, or approximately five million echocardiograms, produce suboptimal images. The use of DEFINITY during echocardiography allows physicians to significantly improve their assessment of the function of the left ventricle.

DEFINITY is a clear, colorless, sterile liquid, which upon activation by Vialmix, a medical device specifically designed for DEFINITY, becomes a homogenous, opaque, milky white injectable suspension of perflutren-containing lipid microspheres. After activation and intravenous injection, DEFINITY improves the ultrasound delineation of the left ventricular endocardial border, or innermost layer of tissue that lines the chamber of the left ventricle. Better visualization of the ventricle wall allows clinicians to see wall motion abnormalities, namely that the heart muscle is not expanding and contracting in a normal, consistent and predictable way. This allows clinicians to make more informed decisions about disease status. DEFINITY offers flexible dosing and administration through an IV bolus injection or continuous IV infusion. We believe DEFINITY's synthetic lipid-cased coating gives the compound a distinct competitive advantage because it provides a strong ultrasound signal without using human albumin.

Since the launch of the product in 2001, DEFINITY has been used in imaging procedures in over 4.0 million patients throughout the world. In 2012, DEFINITY was the leading ultrasound imaging agent used by echocardiologists, used in approximately two percent of all echocardiograms performed in the United States. DEFINITY primarily competes with Optison, a GE Healthcare product, as well as other imaging modalities.

In October 2007, the U.S. Food and Drug Administration, or the FDA, requested that all of the manufacturers of ultrasound contrast agents, including DEFINITY, add a boxed warning to their products to notify physicians and patients about potentially serious safety concerns or risks posed by the products. See "Item 1A—Risk Factors—Ultrasound contrast agents may cause side effects which could limit our ability to sell DEFINITY."

DEFINITY has historically been manufactured exclusively at BVL. We recently commenced manufacturing DEFINITY at JHS at its facility in Spokane, WA. See "—Raw Materials and Supply Relationships—Ben Venue Laboratories, Inc. and Technology Transfer."

DEFINITY is currently patent protected in the United States until 2021 and in numerous foreign jurisdictions with protection until 2019. DEFINITY generated revenues of $51.4 million, $68.5 million and $60.0 million for the years ended December 31, 2012, 2011 and 2010, respectively. DEFINITY represented approximately 18%, 19% and 17% of our total revenues in 2012, 2011 and 2010, respectively.

TechneLite

TechneLite is a self-contained system or generator of technetium, a radioactive isotope or radioisotope, used by radiopharmacies to prepare various nuclear imaging agents. The TechneLite generator is a little larger than a coffee can in size and the self-contained system houses a vertical glass column at its core that contains fission-produced Moly. Moly is a radioisotope that is produced in research reactors by bombarding uranium-235 with neutrons. Moly has a 66 hour half-life and degrades into, among other things, technetium, a radioisotope with a much shorter half-life of only six hours. During our manufacturing process, Moly is added to the column within the generator where it is adsorbed onto alumina powder. The column is sterilized, enclosed in a lead shield and further sealed in a cylindrical plastic container, which is then shipped to our radiopharmacy customers. Because of the 66 hour half-life of Moly, radiopharmacies typically purchase TechneLite generators on a weekly basis.

Technetium is the medical isotope that is attached to the chemical composition of Cardiolite and a number of other radiopharmaceuticals during the radiolabeling process. To radiolabel technetium-based radiopharmaceuticals, a vial of sterile saline and a vacuum vial are each affixed to the top of a TechneLite generator. The sterile saline is pulled through the generator where it attracts technetium resulting from the degrading of Moly within the generator column. The technetium-containing radioactive saline is then pulled into the vacuum vial and combined by a radiopharmacist with the applicable imaging agent, and individual patient-specific radiolabeled imaging agent doses are then prepared. When administered, the imaging agent binds to specific tissues and organs for a period of time, illustrating the functional health of the imaged tissues. Our ability to produce and market TechneLite is highly dependent on our supply of Moly. See "—Raw Materials and Supply Relationships—Molybdenum-99."

TechneLite is produced in thirteen size variations and is currently marketed in North America, Latin America and Australia, largely to radiopharmacies that prepare unit doses of radiopharmaceutical imaging agents and ship these directly to hospitals. We have supply arrangements with significant radiopharmacy chains, including Cardinal, UPPI and GE Healthcare. In the United States, TechneLite is estimated to have about 39% of the market share of this segment and primarily competes with technetium-based generators produced by the Mallinckrodt division of Covidien, PLC., or Mallinckrodt.

Moly can be produced using targets made of either highly enriched uranium, or HEU, or low enriched uranium, or LEU. LEU consists of uranium that contains less than 20% of the uranium-235 isotope. HEU is often considered weapons grade material, with 20% or more of uranium-235. On January 2, 2013, President Obama signed into law the American Medical Isotopes Production Act of 2011 (AMIPA) as part of the 2013 National Defense Authorization Act. The AMIPA encourages the domestic production of LEU Moly and provides for the eventual prohibition of the export of HEU from the United States. In addition, the Centers for Medicare and Medicaid Services (CMS) recently stipulated in the 2013 final Medicare payment rules, for Medicare Hospital Outpatients, that CMS will provide incremental reimbursement for every technetium diagnostic dose produced from non-HEU sourced Moly. Our LEU TechneLite generator satisfies the new reimbursement requirements under the CMS 2013 rules.

Although TechneLite has no current patent protection, given the significant know-how and trade secrets associated with the methods of manufacturing and assembling the TechneLite generator, we believe we have a substantial amount of valuable and defensible proprietary intellectual property associated with the product. In addition, we are pursuing patent protection in the United States and other countries on component technology, which, if granted, will expire in 2029. TechneLite generated revenues of $114.2 million, $131.2 million and $122.0 million forthe years ended December 31, 2012, 2011 and 2010, respectively. TechneLite represented approximately 40%, 37% and 34% of total revenues in 2012, 2011 and 2010 respectively.

Cardiolite

Cardiolite, also known by its generic name sestamibi, is a technetium-based radiopharmaceutical imaging agent used in myocardial perfusion imaging, or MPI, procedures to detect coronary artery disease using single-photon emission computed tomography, or SPECT. An MPI test is a noninvasive exam used to assess blood flow to the muscle of the heart. Prior to the exam, Cardiolite, sold as a vial of lyophilized powder, is chemically combined with radioactive saline from a technetium-based generator, like TechneLite, and prepared for intravenous injection. Upon injection, Cardiolite enters the blood stream and is taken up by the heart muscle cells that receive sufficient blood flow, while the heart is imaged by a SPECT camera that detects the gamma rays released by technetium attached to the Cardiolite. The resulting images provide clinicians with a 3-D map of where the blood flow to the heart is adequate. This product is primarily used for detecting coronary artery disease. MPI tests with Cardiolite provide clinicians with important diagnostic information pertaining to risk of adverse patient outcomes, such as heart attack and unexpected death caused by loss of heart function.

Cardiolite was approved by the FDA in 1990 and its market exclusivity expired in July 2008. With the advent of generic competition in September 2008, we have faced significant and continued pricing pressure on Cardiolite. Early on in the generic period, we believe we were able to retain substantial segment share because of strong brand awareness and loyalty within the cardiology community, as well as our relationships with key distribution partners. As part of our strategy to continue to compete in this generic segment, we also sell Cardiolite in the form of a generic sestamibi at a slightly lower price to branded Cardiolite while at the same time continuing to sell branded Cardiolite throughout the MPI segment. We believe this strategy of selling branded as well as generic sestamibi allows us to continue to sell a meaningful amount of Cardiolite products in a generic segment by having multiple sestamibi offerings that are attractive in terms of brand as well as price. With our recent supply challenges, we believe our share of the sestamibi segment has continued to decrease. See "Item 1A—Risk Factors—Generic competition has significantly eroded our share of the MPI segment for Cardiolite products and will likely continue to do so."

Cardiolite has historically been manufactured at BVL and a secondary manufacturer. We have undertaken a technology transfer program for Cardiolite to secure and qualify production at the JHS

facility in Spokane, WA. See "—Raw Materials and Supply Relationships—Ben Venue Laboratories, Inc. and Technology Transfer."

Our ability to market Cardiolite products is highly dependent on our supply of Moly. See "—Raw Materials and Supply Relationships —Molybdenum-99."

Cardiolite is currently marketed in North America, Europe, Latin America, Asia Pacific and Australia and generic sestamibi is currently marketed in the United States. Since the launch of Cardiolite in 1991, Cardiolite products have been used to image approximately 51 million patients in the United States. Cardiolite products generated revenues of $35.0 million, $66.1 million and $77.4 million for the years ended December 31, 2012, 2011 and 2010, respectively. Cardiolite represented approximately 12%, 19% and 22% of total revenues in2012, 2011 and 2010, respectively. Included in Cardiolite revenues are branded Cardiolite and generic sestamibi revenues, some of which we produce and some of which we procure from time to time from third parties.

Other Marketed Products

In addition to the products listed above, our other products are important imaging agents in specific segments, which provide a stable base of recurring revenue. Most of these products have a favorable industry position as a result of our substantial infrastructure investment, our specialized workforce, our technical know-how and our established industry position and customer relationships.

- *Xenon Xe 133 Gas*, is a radiopharmaceutical inhaled gas used to assess pulmonary function and evaluate blood flow, particularly in the brain. Xenon is manufactured by a third party and packaged in-house. In 2012, 2011 and 2010, Xenon Xe 133 Gas represented approximately 10%, 8% and 6%, respectively, of our total revenues.

- *Neurolite*, is an injectable radiopharmaceutical imaging agent used with SPECT technology to identify the location of strokes in patients who have already suffered from a stroke. We launched Neurolite in 1995. In 2012, 2011 and 2010, Neurolite represented approximately 2%, 3% and 5%, respectively, of our total revenues.

- *Thallium Tl 201*, is an injectable radiopharmaceutical imaging agent used in MPI studies using a gamma camera for the diagnosis and localization of myocardial infarction, or MI. Thallium does not need to be chemically combined with technetium. We have marketed Thallium since 1977 and manufacture it in-house using cyclotrons. In 2012, 2011 and 2010, Thallium represented approximately 2%, 2% and 5%, respectively, of our total revenues.

- *Gallium Ga67*, is an injectable radiopharmaceutical imaging agent used in demonstrating the presence of Hodgkin's disease, lymphomas and bronchogenic carcinomas. We manufacture Gallium in-house using cyclotrons. In 2012, 2011and 2010, Gallium represented approximately 2%, of each of our total revenues.

- *Samarium 153*, is a radioisotope used to prepare Quadramet, an injectable radiopharmaceutical used to treat severe bone pain associated with certain kinds of cancer. We receive Samarium from a third party and finish and package it in-house for a different third party. In each of 2012, 2011 and 2010, Samarium represented approximately 2% of our total revenues.

- *Ablavar*, is a gadolinium-based contrast agent and the first and only contrast agent approved for use in magnetic resonance angiography, or MRA, in the United States. We launched Ablavar in January 2010. In 2012, 2011 and 2010, Ablavar represented approximately 0.9%, 0.5% and 0.2%, respectively, of our total revenues.

For revenue and other financial information for our U.S. and International segments, see Note 18, "Segment Information" to our consolidated financial statements.

Distribution, Marketing and Sales

We distribute our nuclear imaging products in the United States and internationally through radiopharmacies, distributor relationships and our direct sales force. In the United States, these agents are primarily distributed through radiopharmacies, the majority of which are controlled by or associated with Cardinal, UPPI, GE Healthcare and Triad Isotopes Inc., or Triad. In the United States, we sell DEFINITY through our direct sales force of approximately 80 representatives. In 2013, we have transitioned the sales and manufacturing efforts for Ablavar from our direct sales force to our customer service team in order to allow our direct sales force to drive our DEFINITY resurgence plan following our recent supply challenges.

In addition, we own radiopharmacies and sell directly to end users in Canada, Puerto Rico and Australia. In the rest of the world, including Europe, Asia Pacific and Latin America, we utilize distributor relationships to market, distribute and sell our products. In March 2012, we entered into a new distribution arrangement for DEFINITY in China, Hong Kong S.A.R. and Macau S.A.R. with Double-Crane. We believe that the Chinese market has strong growth potential for the use of contrast in echocardiography. In July 2010, we announced a new distribution arrangement for DEFINITY in India, another market which we believe eventually has strong growth potential for the use of contrast in echocardiography. These distribution agreements did not have a significant impact on our revenues during 2012.

Cardinal maintains approximately 156 radiopharmacies that are typically located in large, densely populated urban areas. We estimate that Cardinal's radiopharmacies distributed approximately 46% of the aggregate U.S. SPECT doses sold in the first half of 2012 (the latest information currently available to us). We currently have two agreements with Cardinal, one for the distribution of TechneLite generators, Gallium, Xenon, Thallium and Neurolite (the TechneLite Agreement) and the other for the distribution of Cardiolite products (the Cardiolite Agreement). The agreements contain provisions allowing for early termination by either party. The TechneLite Agreement allows for termination upon the occurrence of specified events, including a material breach of a provision of the TechneLite Agreement by either party and force majeure events. The Cardiolite Agreement allows for termination upon the occurrence of specified events, including a material breach of a material provision of the Cardiolite Agreement by either party, Cardinal's termination of its business operations in the nuclear medicine industry, Cardinal's failure to follow trademark usage guidelines and force majeure events. The TechneLite and Cardiolite agreements both expire on December 31, 2014.

UPPI is a cooperative purchasing group of over 68 independently owned or smaller chain radiopharmacies located in the United States. UPPI's pharmacies are typically broadly geographically dispersed, with some urban presence and a substantial number of pharmacies located in suburban and rural areas of the country. We estimate that these independent radiopharmacies plus an additional 31 unofficial independent radiopharmacies, distributed over one-quarter of the aggregate U.S. SPECT doses sold in the first half of 2012. We currently have an agreement with UPPI for the distribution of both Cardiolite and TechneLite products to pharmacies or families of pharmacies within the UPPI cooperative purchasing group. The agreement contains specified pricing levels based upon specified purchase amounts for UPPI. We are entitled to terminate the UPPI agreement upon 60 days written notice. The UPPI agreement expires on December 31, 2013.

GE Healthcare maintains 31 radiopharmacies that purchase our TechneLite generators. These radiopharmacies primarily distribute GE Healthcare's Myoview, a technetium-labeled MPI agent. We estimate that GE Healthcare distributed approximately 10% of the aggregate U.S. SPECT doses sold in the first half of 2012. We currently have one agreement with GE Healthcare for the distribution of TechneLite and other products. The agreement provides that GE Healthcare will purchase TechneLite generators as well as certain other products in the United States or Canada from us. Our agreement, which expires on December 31, 2017, may be terminated by either party on (i) three years' written notice relating to TechneLite prior to December 31, 2013, (ii) two years' written notice relating to

TechneLite on and after December 31, 2013 and (iii) six months' written notice relating to the other products. Our agreement also allows for termination upon the occurrence of specified events including a material breach by either party, bankruptcy by either party and force majeure events.

In addition to the distribution arrangements for our radiopharmaceutical products described above, we also sell our radiopharmaceutical products directly to hospitals and clinics that maintain in-house radiopharmaceutical capabilities and operations, although this is a small percentage of overall sales because the majority of hospitals and clinics do not maintain these in-house capabilities. For our contrast agent DEFINITY, in the United States we have a direct sales force of approximately 80 representatives that calls on prescribers as well as group purchasing organizations and integrated delivery networks. We believe that this sales force will also be the basis of our sales force that will market and sell future imaging agents. For the year ended December 31, 2012, sales by our direct sales force represented approximately 18% of our total revenues.

We own five radiopharmacies in Canada and two radiopharmacies in each of Australia and Puerto Rico. We also maintain our own direct sales forces in these markets so we can control the marketing, distribution and sale of our imaging agents in these regions.

In the rest of the world, we rely on distributors to market, distribute and sell our products, either on a country-by-country basis or on a multi-country regional basis.

Customers

For the year ended December 31, 2012, our largest customers were Cardinal, GE Healthcare and UPPI, accounting for approximately 27%, 11%, and 8%, respectively, of our global net sales.

Competition

We compete primarily on the ability of our products to capture market share. We believe that our key product characteristics such as proven efficacy, reliability and safety coupled with our core competencies such as our efficient manufacturing processes, established distribution network, field sales organization and customer service, are important factors that distinguish us from our competitors.

The market for diagnostic medical imaging agents is highly competitive and continually evolving. Our principal competitors in existing diagnostic modalities include large, global companies that are more diversified than we are and have substantial financial, manufacturing, sales and marketing, distribution and other resources, such as Mallinckrodt, GE Healthcare, Ion Beam Applications, Bayer Schering Pharma AG, or Bayer, Bracco Diagnostics Inc., or Bracco, and DRAXIS Specialty Pharmaceuticals Inc. (an affiliate of JHS), or Draxis, as well as other competitors. We cannot anticipate their competitive actions, such as price reductions on products that are comparable to our own, development of new products that are more cost-effective or have superior performance than our current products, the introduction of generic versions when our proprietary products lose their patent protection or the new entry into a generic segment in which we already are a participant. Our current or future products could be rendered obsolete or uneconomical as a result of this competition.

Generic competition has substantially eroded our share for Cardiolite, beginning in September 2008 when the first generic product was launched. We are currently aware of four separate third-party generic offerings of sestamibi. We also sell our own generic version of sestamibi. See "Item 1A —Risk Factors—Generic competition has significantly eroded our share of the MPI segment for Cardiolite products and will likely continue to do so."

Raw Materials and Supply Relationships

We rely on certain raw materials and supplies to create our products. Due to the specialized nature of our products and the limited supply of raw materials in the market, we have relationships

with several key suppliers. While all of our raw materials are important to our products, our most widely used raw material is Moly. For the year ended December 31, 2012, our largest supplier of all of our raw materials and supplies was Nordion, accounting for approximately 23% of our total purchases.

Molybdenum-99

TechneLite and Cardiolite both depend on Moly, the radioisotope which is produced by bombarding Uranium-235 with neutrons in research reactors. Moly is the most common radioisotope used for medical diagnostic imaging purposes. With a 66 hour half-life, Moly degrades into technetium, another radioisotope with a half-life of six hours that is the isotope that is attached to the chemical composition of Cardiolite and a number of other radiopharmaceuticals during the radiolabeling process.

There are nine major medical isotope reactors located around the world which produce significant amounts of Moly:

- NRU, owned and operated by Atomic Energy of Canada Limited, or AECL, a Crown corporation of the Government of Canada, located in Chalk River, Ontario;
- High Flux Reactor, or HFR, located in The Netherlands;
- BR2 located in Belgium;
- OSIRIS located in France;
- SAFARI located in South Africa;
- OPAL located in Australia;
- LVR-10 located in the Czech Republic;
- MARIA located in Poland; and
- RA-8 located in Argentina.

Moly produced at these reactors is then finished at one of six processing sites:

- Nordion, formerly known as MDS Nordion, in Canada;
- Covidien in The Netherlands;
- NTP Radioisotopes, or NTP, in South Africa;
- Institute for Radioelements, or IRE, in Belgium;
- ANSTO in Australia; and
- CNEA in Argentina.

Finished Moly is then sold to technetium generator manufacturers, including us. These reactors are taken off-line for short periods of time for periodic refueling and routine inspection and maintenance. For example, the NRU reactor was off-line for four weeks starting in April 2012 for routine inspection and maintenance. However, reactors are less frequently taken off-line for longer durations. From May 2009 until August 2010, the NRU reactor was taken off-line due to a heavy water leak in the reactor vessel and subsequent extended repairs. See "Item 7—Management's Discussion and Analysis of Financial Condition and Results of Operations" for a discussion of the impact that this global shortage had on our business.

Historically, our largest supplier of Moly has been Nordion, which relies on the NRU reactor for its supply of Moly. In addition, because Xenon

is a by-product of the Moly production process and is currently captured only by Nordion, we are reliant on Nordion as our sole supplier of Xenon to meet our customer demand. Our agreement with Nordion contains minimum purchase requirements. The agreement allows for termination upon the occurrence of certain events, including failure by us to

purchase a minimum amount of Moly, failure to comply with material obligations by either party, bankruptcy of either party or force majeure events. On October 19, 2012, we entered into Amendment No. 2 (the "Nordion Amendment") with Nordion to the Molybdenum-99 Purchase and Supply Agreement, dated April 1, 2010. Under the Nordion Amendment, we are now committed to purchase minimum percentage requirements, of our total Moly requirement through December 2015. The agreement, as amended, allows for termination upon the occurrence of certain events, including, but not limited to, certain cost increases experienced by Nordion (but in such event not earlier than October 1, 2014), failure to comply with material obligations by either party, bankruptcy of either party or force majeure events.

Our agreement with NTP includes their consortium partner, ANSTO. The agreement contains minimum percentage volume requirements and allows for termination upon the occurrence of certain events, including failure by NTP to provide our required amount of Moly, material breach of any provision by either party, bankruptcy by either party and force majeure events. Additionally, we have the ability to terminate the agreement with six months written notice prior to the expiration of the term of the agreement. On October 30, 2012, we entered into Amendment No. 3 (the "NTP Amendment") with NTP, effective as of October 1, 2012, to the Molybdenum-99 Sales Agreement, dated April 1, 2009. The NTP Amendment extends the contract term of the agreement to December 31, 2017 and modifies our future purchase volumes and supply fees. The NTP Amendment also provides for the increased supply of Moly derived from LEU targets from NTP and ANSTO.

In March 2013, we entered into a similar agreement with IRE (the "IRE Agreement"). IRE previously supplied us as a subcontractor under the NTP agreement and, similar to the agreement with NTP, the IRE Agreement contains minimum percentage volume requirements and allows for termination upon the occurrence of certain events, including failure by IRE to provide our required amount of Moly, material breach of any provision by either party, bankruptcy by either party and force majeure events. Under the terms of the five year IRE Agreement, which expires on December 31, 2017, IRE is expected to provide certain increased quantities of Moly during periods of supply shortage or failure. The IRE Agreement also provides for an increased supply of Moly derived from LEU targets upon IRE's completion of its ongoing conversion program to modify its facilities and processes in accordance with Belgian nuclear security commitments.

We are also pursuing additional sources of Moly and Xenon from potential new producers around the world to further augment our current supply. In addition, we are exploring a number of alternative projects that seek to produce Moly and Xenon with existing or new reactors or technologies.

Other Materials

We have additional supply arrangements for active pharmaceutical ingredients, or APIs, excipients, packaging materials and other materials and components, none of which are exclusive, but a number of which are sole source, and all of which we believe are either in good standing or easily replaceable without any material disruption to our business.

Manufacturing

We maintain manufacturing operations at our North Billerica, Massachusetts facility, where we manufacture TechneLite on a highly-automated production line. We also manufacture Thallium and Gallium at this site using our cyclotron technology. We manufacture, finish and distribute our radiopharmaceutical products on a just-in-time basis, and supply our customers with these products either by next day delivery services or by either ground or air custom logistics. In addition to our in-house manufacturing capabilities, a substantial portion of our products are manufactured by third-party suppliers, and in certain instances, we rely on sole source manufacturing. To ensure the quality of the products that are manufactured by third parties, all raw materials are sent to our North Billerica facility where they are tested by us prior to use. Furthermore, the final product is sent back to us for

final quality control testing prior to shipment. We have expertise in the design, development and validation of complex manufacturing systems and processes, and our strong execution and quality control culture supports our just-in-time manufacturing model at our North Billerica facility.

Ben Venue Laboratories, Inc. and Technology Transfer

We currently rely on BVL as one of our two manufacturers for DEFINITY and Cardiolite product supply and our sole source manufacturer for Neurolite. BVL manufactures our products within the South Complex of its Bedford, Ohio facility. In July 2010, BVL temporarily shut down the South Complex to upgrade the facility to meet certain regulatory requirements. In anticipation of this shutdown, BVL manufactured for us additional inventory of these products to meet our expected needs during the shutdown period, which was originally anticipated to end in March 2011.

After a series of unexpected delays, in the second quarter of 2012, BVL resumed manufacturing DEFINITY and allowed us to release product beginning at the end of the second quarter of 2012. BVL has also resumed manufacturing Cardiolite products and has allowed us to release these products to the market. We currently believe that Neurolite will again become available from BVL in the latter half of 2013. We can give no assurances that BVL will be able to continue to successfully manufacture and distribute our products through December 31, 2013. See "Item 1A—Risk Factors —Our dependence upon third parties for the manufacture and supply of a substantial portion of our products could prevent us from delivering our products to our customers in the required quantities, within the required timeframe, or at all, which could result in order cancellations and decreased revenues."

In August 2011, BVL announced that it will be transitioning out of the contract manufacturing business after December 31, 2013. Because of BVL's ongoing regulatory issues and our mutual desire to enter into a new contractual relationship to replace the original arrangement, we and BVL: (i) terminated the original manufacturing agreement (the "2008 Agreement") and entered into a Settlement and Mutual Release Agreement (the "Settlement Agreement"); (ii) entered into a Transition Services Agreement (the "Transition Services Agreement"), under which BVL has manufactured for us an initial supply of DEFINITY, Cardiolite, Neurolite, and certain TechneLite accessories; and (iii) entered into a Manufacturing and Service Contract (the "Manufacturing and Service Contract") under which BVL will continue to manufacture for us supplies of DEFINITY, Cardiolite, Neurolite, and certain TechneLite accessories following the initial supply provided under the Transition Services Agreement through 2013. The 2008 Agreement had an initial term of five years.

- In the Settlement Agreement, we and BVL agreed to a broad mutual waiver and release for all matters that occurred prior to the date of the Settlement Agreement, a covenant not to sue and a settlement payment to us in the amount of $30.0 million.

- Under the Transition Services Agreement, BVL has manufactured for us an initial supply of DEFINITY, Cardiolite, Neurolite and certain TechneLite accessories, and made weekly payments to us in the aggregate amount of $5.0 million. The agreement allows for termination upon the occurrence of specified events, including material breach by either party, bankruptcy by either party, force majeure events or sale, wind-down or cessation of business by BVL, and absent negligence or willful misconduct we have no further remedies under this agreement. The agreement expires upon the earlier of (a) the release of the final batch of product accepted by us pursuant to the terms of the Transition Services Agreement or (b) December 31, 2013.

- Under the Manufacturing and Service Contract, BVL will continue to manufacture for us supplies of DEFINITY, Cardiolite, Neurolite and certain TechneLite accessories following the initial supply provided under the Transition Services Agreement. The agreement allows for unilateral termination by BVL in the event that regulatory action prevents manufacturing for the full term of the agreement. The agreement also allows for termination upon the occurrence of specified events, including material breach or bankruptcy by either party, or force majeure

events or sale, wind-down or cessation of business by BVL. The agreement expires on December 31, 2013.

In connection with these transition plans, we have expedited a number of technology transfer programs to secure and qualify production of our BVL-manufactured products from alternate contract manufacturer sites.

- *DEFINITY*—We entered into a Manufacturing and Supply Agreement, effective as of February 1, 2012, with JHS, for the manufacture of DEFINITY. Under the agreement, JHS has agreed to manufacture DEFINITY for an initial term of five years. We have the right to extend the agreement for an additional five-year period, with automatic renewals for additional one year periods thereafter. The agreement allows for termination upon the occurrence of certain events such as a material breach or default by either party, or bankruptcy by either party. The agreement also requires us to place orders for a minimum percentage of our requirements for DEFINITY with JHS. On May 3, 2012, we entered into the First Amendment, effective as of May 3, 2012, to the Manufacturing and Supply Agreement, which increased the minimum percentage of our requirements for DEFINITY with JHS during such term. We are also seeking to secure additional contract manufacturers for DEFINITY. In February 2013, the FDA informed us that the JHS facility was approved to manufacture DEFINITY, and we have since commenced shipping JHS-manufactured DEFINITY to customers.

- *Cardiolite*—We currently have a secondary manufacturer for a portion of our Cardiolite products supply. We also entered into a Manufacturing and Supply Agreement, effective as of May 3, 2012, with JHS for the manufacture of Cardiolite products. Under the agreement, JHS has agreed to manufacture product for an initial term of five years. We have the right to extend the agreement for an additional five-year period, with automatic renewals for additional one year periods thereafter. The agreement allows for termination upon the occurrence of specified events, including material breach or bankruptcy by either party. The agreement requires us to place orders for a minimum percentage of our requirements for Cardiolite with JHS during such term. We are also considering additional contract manufacturers for Cardiolite.

- *Neurolite*—We entered into a Manufacturing and Supply Agreement, effective as of May 3, 2012, with JHS for the manufacture of Neurolite. Under the agreement, JHS has agreed to manufacture product for an initial term of five years. We have the right to extend the agreement for an additional five-year period, with automatic renewals for additional one year periods thereafter. The agreement allows for termination upon the occurrence of specified events, including material breach or bankruptcy by either party. The agreement also requires us to place orders for a minimum percentage of our requirements for Neurolite with JHS during such term. We are also considering additional contract manufacturers for Neurolite.

Based on our current projections, we believe that we will have sufficient supply of DEFINITY from both BVL and JHS to meet expected demand and sufficient Cardiolite product supply from BVL and our alternate supplier to meet expected demand. We currently believe that Neurolite will again become available from BVL in the latter half of 2013. We also currently anticipate JHS-manufactured Neurolite and Cardiolite to be available when technology transfer and regulatory approval at JHS are completed, although Neurolite supply will continue to be constrained until BVL can manufacture and release additional batches of the product. We are pursuing new manufacturing relationships to establish and secure additional long-term or alternative suppliers as described above, but it is uncertain of the timing as to when these arrangements could provide meaningful quantities of product. See "Item 1A—Risk Factors—Our dependence upon third parties for the manufacture and supply of a substantial portion of our products could preven us from delivering our products to our customers in the required quantities, within the required timeframe, or at all, which could result in order cancellations and decreased revenues" and "Risk Factors—Challenges with product quality oproduct performance, including defects, caused by us or our suppliers could result in a decrease in customers and sales, unexpected expenses and loss of market share."

On January 22, 2013, BVL announced it had voluntarily entered into a consent decree with the FDA relating to current Good Manufacturing Practice requirements at its Bedford, Ohio facility. Under the consent decree, the FDA has given BVL approval to continue to manufacture all of our products for us. However, we can give no assurances that, operating under the consent decree, BVL will be able to manufacture and distribute our products for us in a timely manner and in sufficient quantities through the termination of our Manufacturing and Supply Agreement. See "Item 1A—Risk Factors—Our dependence upon third parties for the manufacture and supply of a substantial portion of our products could prevent us from delivering our products to our customers in the required quantities, with the required time frame, or at all, which could result in order cancellations and decreased revenues."

Mallinckrodt

We rely on sole source manufacturing for Ablavar at Mallinckrodt. The agreement requires us to purchase a minimum amount of Ablavar and can be amended or terminated by mutual written agreement at any time. See "Item 1A—Risk Factors—Our business depends on our ability to successfully introduce new products and adapt to a changing technology and diagnostic landscape". The agreement also allows for termination upon the occurrence of certain events such as a material breach or default by either party, or bankruptcy by either party. In October 2011, we entered into an amendment to extend the term of the agreement from September 30, 2012 until September 30, 2014, reduce the amount of API we are obligated to purchase over the term of the agreement, and increase the amount of finished drug product we are obligated to purchase over the term of the agreement. At December 31, 2012, the remaining purchase commitment under the amended agreement was approximately $9.4 million.

Research and Development

For the years ended December 31, 2012, 2011 and 2010, we invested $40.6 million, $40.9 million and $45.1 million, respectively, in research and development. Our research and development team includes our medical affairs and medical information functions, which educate physicians on the scientific aspects of our commercial products and the approved indications, labeling and the costs of monitoring adverse events. We have developed a strong pipeline of three development candidates which were discovered and developed in-house and are protected by patents and patent applications we own in the United States and numerous foreign jurisdictions. In March 2013, we began to implement a strategic shift in how we will fund our important R&D programs. We will reduce over time our internal R&D resources while at the same time we seek to engage strategic partners to assist us in the further development and commercialization of our important development candidates, including flurpiridaz F 18, 18F LMI 1195 and LMI 1174. See "Item 1A—Risk Factors—We may not be able to develop or commercialize our product candidates without successful strategic partners for our product candidates."

Flurpiridaz F 18—PET Perfusion Agent—Myocardial Perfusion

We are developing flurpiridaz F 18, a radiopharmaceutical imaging agent radiolabeled with fluorine-18, which we believe has the potential to become a leading next-generation MPI agent to work with positron emission tomography, or PET, technology. Today, most MPI procedures use SPECT technology with gamma cameras. Although this imaging provides substantial clinical value, there is growing interest in the medical community to utilize technology such as PET that can provide meaningful advantages. PET is an imaging technology that when used in combination with an appropriate radiopharmaceutical imaging agent can provide important insights into physiologic and metabolic processes in the body and be useful in evaluating a variety of conditions including neurological disease, heart disease and cancer. PET imaging has demonstrated broad utility for

diagnosis, prognosis, disease staging and therapeutic response. Images generated with PET technology typically exhibit very high image resolution because of substantially higher signal to noise efficiency, a measure of the efficiency by which energy can be captured to create an image.

Although SPECT imaging used in conjunction with a radiopharmaceutical imaging agent, such as Cardiolite, is most commonly used for MPI studies, PET imaging has gained considerable support in the field of cardiovascular imaging as it offers many advantages to SPECT imaging. These advantages include: higher image quality, quantitative heart muscle blood flow information, improved diagnostic accuracy, more accurate risk stratification and reduced patient radiation exposure. The use of PET technology in MPI tests represents a broad emerging application for a technology more commonly associated with oncology and neurology. We anticipate that the adoption of PET technology in MPI tests will increase significantly in the future and that flurpiridaz F 18 could be an important agent in that segment.

Flurpiridaz F 18 Clinical Overview

We submitted an Investigational New Drug Application, or IND, for flurpiridaz F 18 to the FDA in August 2006. Our clinical program to date has consisted of three Phase 1 studies and a Phase 2 clinical trial, conducted from 2007 to 2010, involving 208 subjects who received PET MPI performed with flurpiridaz F 18.

Flurpiridaz F 18 Phase 2 Trial

We evaluated flurpiridaz F 18 in a Phase 2 trial consisting of 176 subjects from 21 centers. These subjects underwent rest and stress flurpiridaz F 18 and SPECT MPI, both of which were evaluated for safety. 86 subjects underwent coronary angiography, the current standard clinical method for diagnosing coronary artery disease. Coronary angiography is an invasive procedure using fluoroscopy performed in a cardiac catheterization lab while the subject is under mild sedation. These 86 subjects formed the population for evaluating diagnostic performance. PET MPI was performed with flurpiridaz F 18 at rest and at stress utilizing pharmacological coronary vasodilation or treadmill exercise. Unlike currently available PET imaging agents for MPI with half lives measured in seconds, flurpiridaz F 18 can be used in conjunction with treadmill exercise given its substantially longer 110 minute half-life.

The Phase 2 trial results showed the following:

- a significantly higher percentage of images were rated as either excellent or good quality with PET imaging, compared to SPECT imaging for stress images (98.8% vs. 84.9%, $p<0.01$) and rest images (95.3% vs. 69.8%, $p<0.01$);
- diagnostic certainty of interpretation, the percentage of cases with definitely abnormal or definitely normal interpretation, was significantly higher for flurpiridaz F 18 compared to SPECT (90.7% vs. 75.6%, $p<0.01$);
- the area under the ROC curve (the relative operating characteristic curve comparing the true positive rate to the false positive rate for coronary artery disease diagnosis) was significantly higher for flurpiridaz F 18 than SPECT (0.82 ± 0.05 vs. 0.70 ± 0.05, $p<0.05$), indicating higher diagnostic performance;
- sensitivity with flurpiridaz F 18 imaging was significantly higher than SPECT (78.8% vs. 61.5%, $p=0.02$);
- although a trend toward higher specificity was noted, due to the limited number of patients, the study was not statistically powered to conclusively demonstrate this advantage; and
- no drug-related serious adverse events were observed.

The results of the Phase 2 trial demonstrated that PET MPI with flurpiridaz F 18 provided superior image quality, diagnostic certainty and diagnostic performance for detecting coronary artery disease compared to SPECT MPI, the current standard for the non-invasive detection of coronary artery disease. The data also demonstrated a positive safety profile for PET imaging with flurpiridaz F 18.

Flurpiridaz F 18 Phase 3 Trial

In March 2011, we received Special Protocol Assessment approval from the FDA for our so-called 301 trial, our first of two clinical trials in our Phase 3 clinical program for flurpiridaz F 18. We received a Special Protocol Assessment for our so-called 302 trial, our second Phase 3 clinical trial in April 2012. The Phase 3 program includes our 301 trial and our 302 trial, which are each open-label, multicenter trials to assess the diagnostic efficacy, both sensitivity and specificity, of flurpiridaz F 18 PET MPI, compared with SPECT MPI in the detection of significant coronary artery disease. The trials will enroll a total of approximately 1,350 subjects at approximately 100 sites globally. Coronary angiography will be the truth standard for all subjects. The clinical development program includes hypotheses for superiority for sensitivity and non-inferiority for specificity with an adequate sample size to demonstrate superior specificity if present. We enrolled our first subject in our 301 trial in June 2011, and an interim analysis of the results of the first 50% of the subjects who completed the 301 trial should be completed in the second quarter of 2013. As a result of the shift in our R&D strategy, we will complete the 301 trial while seeking to engage strategic partners to assist us with the further development and possible commercialization of the agent.

PET Manufacturing Facilities

For flurpiridaz F 18, we will have to implement a new manufacturing model where we provide the chemical ingredients of the imaging agent to PET radiopharmacies that have fluorine-18 radioisotope-producing cyclotrons on premises. The ingredients will be combined with fluorine-18 manufactured in these radiopharmacies in specially designed chemistry synthesis boxes to generate the final radiopharmaceutical imaging agent, flurpiridaz F 18. Radiopharmacists will be able to prepare and dispense patient-specific doses from the final product. However, because each of these PET radiopharmacies will be deemed by the FDA to be a separate manufacturing site for flurpiridaz F 18, each will have to be included in our New Drug Application, or NDA, and subsequent FDA filings. As a result, we will have quality and oversight responsibility for these PET radiopharmacies, unlike the current relationship we have with our nuclear imaging agent distributors that operate radiopharmacies. Such responsibilities will require us to commit additional financial and human resources, and will potentially expose us to additional liability. We are currently in the process of evaluating the operational and economic implications of this new manufacturing model.

(18)F LMI 1195—Cardiac Neuronal Activity Imaging Agent

We are developing 18F LMI 1195, also an internally discovered small molecule, designed to go to cardiac sympathetic neurons, the nerves which regulate the heart. Sympathetic nerve activation increases the heart rate, constricts blood vessels and raises blood pressure by releasing a neurotransmitter called norepinephrine throughout the heart. Changes in the cardiac sympathetic nervous system have been related to the potential for heart failure progression and susceptibility to sometimes fatal arrhythmias.

Heart failure is a major public health problem in North America, associated with high morbidity and mortality, frequent hospitalizations and a major cost burden on the community. In the U.S. alone, there are over 5 million patients living with heart failure, and over a half million new diagnoses each year. Mortality for this condition is around 8-12% annually. Expensive therapies for heart failure are often utilized without effective predictors of patient response. Costly device therapies (for example,

implantable cardiac defibrillators, or ICDs, and cardiac resynchronization therapy, or CRT) are often used, although they sometimes do not provide any benefits or are activated in only a minority of recipients. Conversely, heart failure clinical practice guidelines currently preclude the use of device therapy in many patients who might benefit. Thus, a key opportunity is to better match patients to treatment based on the identification of the underlying molecular status of disease progression.

18F LMI 1195 is taken up by the transporter that regulates norepinephrine released by the sympathetic nervous system at multiple nerve endings of the heart. We believe that PET imaging of 18F LMI 1195 may help clinicians to evaluate the status of the cardiac sympathetic nervous system in heart failure patients and guide drug therapy or the usefulness of anti-arrhythmia devices such as ICDs.

In several clinical studies, the use of ICDs in heart failure patients have demonstrated a decreased risk of sudden cardiac death, which claims as many as 450,000 lives every year in the United States. According to the American Heart Association, patients who have suffered a heart attack have a four to six times higher risk of sudden cardiac death, while chronic heart failure patients have a six to nine times higher risk of sudden cardiac death. Approximately fourteen ICD implants are needed over a five-year period to save one life and the use of ICDs, costing between approximately $50,000 and $100,000 per procedure, are expensive. As a result, we believe patients and the healthcare system would both benefit from the ability to more accurately identify patients who would benefit from an ICD placement.

We have completed a Phase 1 study of 18F LMI 1195 using PET imaging. Twelve normal subjects were injected intravenously with approximately 6 millicuries of LMI 1195, imaged sequentially for a period of approximately 5 hours and monitored closely to observe any potential adverse events. Excellent quality images were obtained and the radiation dose to the subjects was found to be well within acceptable limits. Blood radioactivity cleared quickly and lung activity was low throughout the study. The agent appeared to have a favorable safety profile. As a result of the shift in our R&D strategy, we will seek to engage strategic partners to assist us with the on-going development activities relating to this agent.

LMI 1174—Vascular Remodeling

We are developing LMI 1174, an internally discovered gadolinium-based MRI agent targeted to elastin in the arterial walls and atherosclerotic plaque. We believe that this agent will allow non-invasive assessment of plaque location, burden, type of arterial wall remodeling and therefore the potential for a vascular event, which, in turn, could lead to heart attack or stroke.

Elastin has a key role in the structure of the arterial wall and in biological signaling functions. Several pathological stimuli may be responsible for triggering elastogenesis in atherosclerosis, leading to a marked increase in elastin content during plaque development. In addition to the increase in elastin seen in autopsy samples from patients with carotid atherosclerosis, there is also an increase of elastin in aortic aneurysm samples. As a result, an elastin-specific imaging agent may facilitate noninvasive detection of remodeling of the arterial walls.

Arterial plaque rupture is a leading cause of heart attack and stroke. In 2002, approximately 865,000 people in the United States had a new or recurrent MI and 179,514 died of the event. The majority of these events occurred in individuals older than 35 years of age, an age range that approximately totaled 140 million people in 2002. Of the individuals who died of heart attacks, more than 50% had not had a previous history of heart disease. This indicates that the health care community is not currently identifying and treating individuals at risk of MI from arterial plaque rupture. Similarly, there are approximately 500,000 new and 200,000 recurrent strokes each year, which resulted in 162,672 deaths in 2002, the most recent year for which data is available. Again, we believe there is a substantial opportunity to better identify individuals at risk of having such an event. The major risk factors for atherosclerosis, including systemic hypertension, diabetes, cigarette smoking,

family history and hypercholesterolemia, have contributed to the continued burden of coronary artery disease.

The majority of the assessments of atherosclerosis are currently obtained using angiography or MPI. We believe that MRI technology using LMI 1174 provides the opportunity to identify the presence and characteristics of atherosclerosis and to prescribe treatments to prevent or minimize the risks of cardiovascular events.

In our preclinical work, we have identified a series of low molecular weight molecules that bind to elastin and final optimization is ongoing. Our lead molecule, LMI 1174, has been used to demonstrate utility in a number of different animal models. As a result of the shift in our R&D strategy, we will seek to engage strategic partners to assist us with the on-going development activities relating to this agent.

Intellectual Property

Patents, trademarks and other intellectual property rights are very important to our business. We also rely on trade secrets, manufacturing know-how, technological innovations and licensing agreements to maintain and improve our competitive position. We review third-party proprietary rights, including patents and patent applications, as available, in an effort to develop an effective intellectual property strategy, avoid infringement of third-party proprietary rights, identify licensing opportunities and monitor the intellectual property owned by others. Our ability to enforce and protect our intellectual property rights may be limited in certain countries outside the United States, which could make it easier for competitors to capture market position in such countries by utilizing technologies that are similar to those developed or licensed by us. Competitors also may harm our sales by designing products that mirror the capabilities of our products or technology without infringing our intellectual property rights. If we do not obtain sufficient protection for our intellectual property, or if we are unable to effectively enforce our intellectual property rights, our competitiveness could be impaired, which would limit our growth and future revenue.

Trademarks, Service Marks and Trade Names

We own various trademarks, service marks and trade names, including DEFINITY, Cardiolite, TechneLite, Ablavar, Neurolite and Lantheus Medical Imaging. We have registered these six trademarks, as well as others, in the United States and numerous foreign jurisdictions.

Patents

We actively seek to protect the proprietary technology that we consider important to our business, including chemical species, compositions and formulations, their methods of use and processes for their manufacture, as new intellectual property is developed. In addition to seeking patent protection in the United States, we file patent applications in numerous foreign countries in order to further protect the inventions that we consider important to the development of our foreign business. We also rely upon trade secrets and contracts to protect our proprietary information. As of February 28, 2013, our patent portfolio included a total of 44 issued U.S. patents, 230 issued foreign patents, 22 pending patent applications in the United States and 145 pending foreign applications including claims covering the composition of matter and methods of use for all of our preclinical and clinical stage candidates.

Our patents cover many of our commercial products, and our patent protection is generally in the United States, Canada, Mexico, most of Western Europe and Scandinavia (including Austria, Belgium, Denmark, Finland, France, Germany, Great Britain, Italy, Luxembourg, Netherlands, Norway, Spain, Switzerland and Sweden), and markets in Asia (including China, Hong Kong, Japan, Singapore and South Korea) and Latin America (including Argentina and Brazil). For DEFINITY, we hold a number of different compositions of matter, use, formulation and manufacturing patents, with U.S. patent

protection until 2021 and patent or regulatory extension protection in Canada, Europe and parts of Asia until 2019. For Ablavar, we hold a number of different compositions of matter, use, formulation and manufacturing patents, with the last U.S. patent not expiring until 2020 with regulatory extension. Neither Cardiolite nor Neurolite is covered any longer by patent protection in either the United States or the rest of the world and we are not currently aware of any proposed generic competitors to Neurolite. Although TechneLite has no current patent protection, given the significant know-how and trade secrets associated with the methods of manufacturing and assembling the TechneLite generator, we believe we have a substantial amount of valuable and defensible proprietary intellectual property associated with the product. In addition, we are pursuing specific patent protection in the United States and other countries on component technology, which, if granted, will expire in 2029. Thallium, Gallium and Xenon are all generic radiopharmaceuticals.

We have patents and patent applications in numerous jurisdictions covering composition, use, formulation and manufacturing of flurpiridaz F 18, one of which, if granted, will expire in 2033 and in the United States a composition patent expiring in 2026 and a method of use patent expiring in 2028 in the absence of any regulatory extension. We also have patent applications in numerous jurisdictions covering composition, use, and synthesis of our cardiac neuronal imaging agent candidate, some of which, if granted, will expire in 2027 and some in 2031 in the absence of any patent term adjustment or regulatory extensions and in Europe a composition patent expiring in 2027 in the absence of any regulatory extension. Additionally, we have patent applications in numerous jurisdictions covering composition, use and synthesis of our vascular remodeling compound, some of which if granted, will expire in 2029 and some in 2030 in the absence of any patent term adjustment or regulatory extensions and in the United States a composition and method of use patent expiring in 2031 in the absence of any regulatory extension.

In addition to patents, we rely where necessary upon unpatented trade secrets and know-how, proprietary information, and continuing technological innovation to develop and maintain our competitive position. We seek to protect our proprietary information, in part, using confidentiality agreements with our collaborators, employees, consultants and other third parties and invention assignment agreements with our employees. These confidentiality agreements may not prevent unauthorized disclosure of trade secrets and other proprietary information, and we cannot assure you that an employee or an outside party will not make an unauthorized disclosure of our trade secrets, other technical know-how or proprietary information. We may not have adequate remedies for any unauthorized disclosure. This might happen intentionally or inadvertently. It is possible that a competitor will make use of such information, and that our competitive position will be compromised, in spite of any legal action we might take against persons making such unauthorized disclosures. In addition, our trade secrets may otherwise become known or be independently discovered by competitors. To the extent that our collaborators, employees and consultants use intellectual property owned by others in their work for us, disputes may arise as to the rights in related or resulting know-how and inventions.

In addition, we license a limited number of third-party technologies and other intellectual property rights that are incorporated into some elements of our drug discovery and development efforts. These licenses are not material to our business, and the technologies can be obtained from multiple sources. We are currently party to separate royalty-free, non-exclusive, cross-licenses with each of Bracco, GE Healthcare and Imcor Pharmaceutical Company which give us freedom to operate in connection with contrast-enhanced ultrasound imaging technology. We also in-license certain freedom to operate rights for Ablavar from, among others, Bayer.

Regulatory Matters

Food and Drug Laws

The development, manufacture, sale and distribution of our products are subject to comprehensive governmental regulation both within and outside the United States. A number of factors substantially increase the time, difficulty and costs incurred in obtaining and maintaining the approval to market newly developed and existing products. These factors include governmental regulation, such as detailed inspection of and controls over research and laboratory procedures, clinical investigations, manufacturing, narcotic licensing, marketing, sampling, distribution, import and export, record keeping and storage and disposal practices, together with various post-marketing requirements. Governmental regulatory actions can result in the seizure or recall of products, suspension or revocation of the authority necessary for their production and sale as well as other civil or criminal sanctions.

Our activities in the development, manufacture, packaging or repackaging of our pharmaceutical and medical device products subjects us to a wide variety of laws and regulations. We are required to register for permits and/or licenses with, seek approvals from and comply with operating and security standards of the FDA, the U.S. Nuclear Regulatory Commission ("NRC"), the U.S. Department of Health and Human Services ("HHS"), Health Canada, the European Medicines Agency ("EMA"), and various state and provincial boards of pharmacy, state and provincial controlled substance agencies, state and provincial health departments and/or comparable state and provincial agencies as well as foreign agencies, and certain accrediting bodies depending upon the type of operations and location of product distribution, manufacturing and sale.

The FDA and various state regulatory authorities regulate the research, testing, manufacture, safety, labeling, storage, recordkeeping, premarket approval, marketing, advertising and promotion, import and export and sales and distribution of pharmaceutical products in the United States. Prior to marketing a pharmaceutical product, we must first receive FDA approval. Specifically, in the United States, the FDA regulates drugs under the Federal Food, Drug, and Cosmetic Act, or FDCA, and the Public Health Service Act, and implementing regulations. The process of obtaining regulatory approvals and compliance with appropriate federal, state, local, and foreign statutes and regulations require the expenditure of substantial time and financial resources. The process required by the FDA before a drug product may be marketed in the United States generally involves the following:

- completion of preclinical laboratory tests, animal studies and formulation studies according to Good Laboratory Practices regulations;
- submission to the FDA of an IND which must become effective before human clinical studies may begin;
- performance of adequate and well-controlled human clinical studies according to Good Clinical Practices and other requirements, to establish the safety and efficacy of the proposed drug product for its intended use;
- submission to the FDA of a New Drug Application, or NDA, for a new drug;
- satisfactory completion of an FDA inspection of the manufacturing facility or facilities at which the drug product is produced to assess compliance with current Good Manufacturing Practices, or cGMP, regulations; and
- FDA review and approval of the NDA.

The testing and approval process requires substantial time, effort, and financial resources, and we cannot be certain that any approvals for our product candidates will be granted on a timely basis, if at all. Once a pharmaceutical product candidate is identified for development, it enters the preclinical testing stage. Preclinical tests include laboratory evaluations of product chemistry, toxicity, formulation,

and stability, as well as animal studies to assess its potential safety and efficacy. This testing culminates in the submission of the IND to the FDA. Once the IND becomes effective, the clinical trial program may begin. Human clinical studies are typically conducted in three sequential phases that may overlap or be combined:

Phase 1. The product is initially introduced into healthy human subjects and tested for safety, dosage tolerance, absorption, metabolism, distribution and excretion. In the case of some products for severe or life-threatening diseases, especially when the product may be too inherently toxic to ethically administer to healthy volunteers, the initial human testing is often conducted in patients.

Phase 2. Involves studies in a limited patient population to identify possible adverse effects and safety risks, to evaluate preliminarily the efficacy of the product for specific targeted diseases and to determine dosage tolerance and optimal dosage and schedule.

Phase 3. Clinical studies are undertaken to further evaluate dosage, clinical efficacy and safety in an expanded patient population at geographically dispersed clinical study sites. These studies are intended to collect sufficient safety and effectiveness data to support the NDA for FDA approval.

Sponsors may request a special protocol assessment from the FDA. The FDA's special protocol assessment process creates a written agreement between the sponsoring company and the FDA regarding the clinical trial design and other clinical trial issues that can be used to support approval of a candidate product. The special protocol assessment is intended to provide assurance that if the agreed-upon clinical trial protocols are followed and the trial endpoints are achieved, the data may serve as the primary basis for an efficacy claim in support of an NDA. However, the special protocol assessment agreement is not a guarantee of an approval of a product or any permissible claims about the product. In particular, the special protocol assessment is not binding on the FDA if public health concerns become evident that are unrecognized at the time that the special protocol assessment agreement is entered into, other new scientific concerns regarding product safety or efficacy arise, or if the sponsor company fails to comply with the agreed upon trial protocols.

Progress reports detailing the results of the clinical studies must be submitted at least annually to the FDA and safety reports must be submitted to the FDA and the investigators for serious and unexpected adverse events. Submissions must also be made to inform the FDA of certain changes to the clinical trial protocol. Federal law also requires the sponsor to register the trials on public databases when they are initiated, and to disclose the results of the trials on public databases upon completion. Phase 1, Phase 2 and Phase 3 testing may not be completed successfully within any specified period, if at all. The FDA or the sponsor may suspend or terminate a clinical study at any time on various grounds, including a finding that the research subjects or patients are being exposed to an unacceptable health risk. Similarly, an institutional review board, or IRB, can suspend or terminate approval of a clinical study at its institution if the clinical study is not being conducted in accordance with the IRB's requirements or if the drug product has been associated with unexpected serious harm to patients. Failure to register a trial or disclose study results within the required time periods could result in penalties, including civil monetary penalties.

Concurrent with clinical studies, companies usually complete additional animal studies and must also develop additional information about the chemistry and physical characteristics of the product and finalize a process for manufacturing the product in commercial quantities in accordance with cGMP requirements. The manufacturing process must be capable of consistently producing quality batches of the product candidate and, among other things, the manufacturer must develop methods for testing the identity, strength, quality, and purity of the final product. Additionally, appropriate packaging must be

selected and tested and stability studies must be conducted to demonstrate that the product candidate does not undergo unacceptable deterioration over its shelf life.

The results of product development, preclinical studies, and clinical studies, along with descriptions of the manufacturing process, analytical tests conducted on the drug product, proposed labeling, and other relevant information, are submitted to the FDA as part of an NDA for a new drug, requesting approval to market the product. The submission of an NDA is subject to the payment of a substantial user fee, pursuant to the Prescription Drug User Fee Act ("PDUFA"), which was first enacted in 1992 to provide the FDA with additional resources to speed the review of important new medicines. A waiver of such fee may be obtained under certain limited circumstances. PDUFA expires every five years and must be reauthorized by Congress. PDUFA IV expired on September 30, 2012, and was renewed as Title I of the FDA Safety and Innovation Act ("FDASIA"). The PDUFA V reauthorization reflected an agreement reached after months of discussion between FDA, industry and other stakeholders. The current PDUFA V agreement focuses on improving the efficiency and predictability of the review process, strengthening the agency regulatory science base and enhancing benefit-risk assessment and post-approval safety surveillance.

The approval process is lengthy and difficult and the FDA may refuse to approve an NDA if the applicable regulatory criteria are not satisfied. The FDA has substantial discretion in the product approval process, and it is impossible to predict with any certainty whether and when the FDA will grant marketing approval. The FDA may on occasion require the sponsor of an NDA to conduct additional clinical studies or to provide other scientific or technical information about the product, and these additional requirements may lead to unanticipated delay or expense. Even if such data and information is submitted, the FDA may ultimately decide that the NDA does not satisfy the criteria for approval. Data obtained from clinical studies are not always conclusive, and the FDA may interpret data differently than we interpret the same data.

If a product receives regulatory approval, the approval may be significantly limited to specific diseases and dosages or the indications for use may otherwise be limited, which could restrict the commercial value of the product. Further, the FDA may require that certain contraindications, warnings or precautions be included in the product labeling. In addition, the FDA may require Phase 4 testing which involves clinical studies designed to further assess a drug product's safety and effectiveness after NDA approval. The FDA also may impose risk evaluation mitigation strategies, or REMS, on a product if the FDA believes there is a reason to monitor the safety of the drug in the marketplace. REMS are a regulatory tool that the FDA applies based on a case-by-case assessment as to whether a REMS is needed. While the FDA has not used its REMS enforcement authority for every product approval, it has exercised this authority on a regular basis, and it is anticipated the agency will continue to do so going forward. REMS could add training requirements for healthcare professionals, safety communications efforts, and limits on channels of distribution, among other things. The sponsor would be required to evaluate and monitor the various REMS activities and adjust them if need be. Whether a REMS would be imposed on any of our products and any resulting financial impact is uncertain at this time.

Any drug products for which we receive FDA approvals are subject to continuing regulation by the FDA, including, among other things, record-keeping requirements, reporting of adverse experiences with the product, providing the FDA with updated safety and efficacy information, product sampling and distribution requirements, complying with certain electronic records and signature requirements, and complying with FDA promotion and advertising requirements. The FDA strictly regulates labeling, advertising, promotion, and other types of information on products that are placed on the market. Drugs may be promoted only for the approved indications and in accordance with the provisions of the approved label and promotional claims must be appropriately balanced with important safety information and otherwise be adequately substantiated. Further, manufacturers of drugs must continue to comply with cGMP requirements, which are extensive and require considerable time, resources, and

ongoing investment to ensure compliance. In addition, changes to the manufacturing process generally require prior FDA approval before being implemented, and other types of changes to the approved product, such as adding new indications and additional labeling claims, are also subject to further FDA review and approval.

Drug product manufacturers and other entities involved in the manufacturing and distribution of approved drugs products are required to register their establishments with the FDA and certain state agencies, and are subject to periodic unannounced inspections by the FDA and certain other agencies for compliance with cGMP and other laws. The cGMP requirements apply to all stages of the manufacturing process, including the production, processing, sterilization, packaging, labeling, storage and shipment of the drug product. Manufacturers must establish validated systems to ensure that products meet specifications and regulatory standards, and test each product batch or lot prior to its release. In addition, in February 2012, the FDA announced that on June 12, 2012, it will begin to require that the manufacturers of commercial PET products, including radiopharmacies, hospitals and academic medical centers, either submit an NDA or Abbreviated New Drug Application, or ANDA, in order to produce PET drugs for clinical use, or produce the drugs under an IND. In December 2012, the FDA issued several guidances, including one using a detailed question and answer format, for PET drug producers that describe the approval process and set forth a description of FDA regulation of PET products.

The FDA also regulates the preclinical and clinical testing, design, manufacture, safety, efficacy, labeling, storage, record keeping, sales and distribution, postmarket adverse event reporting, import/export and advertising and promotion of any medical devices that we distribute pursuant to the FDCA and FDA's implementing regulations. The Federal Trade Commission shares jurisdiction with the FDA over the promotion and advertising of certain medical devices. The FDA can also impose restrictions on the sale, distribution or use of devices at the time of their clearance or approval, or subsequent to marketing. Currently, two medical devices, both of which are manufactured by third parties who hold the product clearances, comprise only a small portion of our total revenue.

The FDA may withdraw a pharmaceutical or medical device product approval if compliance with regulatory standards is not maintained or if problems occur after the product reaches the market. Later discovery of previously unknown problems with a product may result in restrictions on the product or even complete withdrawal of the product from the market. Further, the failure to maintain compliance with regulatory requirements may result in administrative or judicial actions, such as fines, warning letters, holds on clinical studies, product recalls or seizures, product detention or refusal to permit the import or export of products, refusal to approve pending applications or supplements, restrictions on marketing or manufacturing, injunctions, or civil or criminal penalties.

Because our operations include nuclear pharmacies and related businesses, such as cyclotron facilities used to produce PET products used in diagnostic medical imaging, we are subject to regulation by the NRC or the departments of health of each state in which we operate and the applicable state boards of pharmacy. In addition, the FDA is also involved in the regulation of cyclotron facilities where PET products are produced and compliance with cGMP requirements and United States Pharmacopeia (USP) requirements for PET drug compounding.

Drug laws also are in effect in many of the non-U.S. markets in which we conduct business. These laws range from comprehensive drug approval requirements to requests for product data or certifications. In addition, inspection of and controls over manufacturing, as well as monitoring of adverse events, are components of most of these regulatory systems. Most of our business is subject to varying degrees of governmental regulation in the countries in which we operate, and the general trend is toward increasingly stringent regulation. The exercise of broad regulatory powers by the FDA continues to result in increases in the amount of testing and documentation required for approval or clearance of new drugs and devices, all of which add to the expense of product introduction. Similar

trends also are evident in major non-U.S. markets, including Canada, the European Union, Australia and Japan.

To assess and facilitate compliance with applicable FDA, NRC and other state, federal and foreign regulatory requirements, we regularly review our quality systems to assess their effectiveness and identify areas for improvement. As part of our quality review, we perform assessments of our suppliers of the raw materials that are incorporated into products and conduct quality management reviews designed to inform management of key issues that may affect the quality of our products. From time to time, we may determine that products we manufactured or marketed do not meet our specifications, published standards, such as those issued by the International Standards Organization, or regulatory requirements. When a quality or regulatory issue is identified, we investigate the issue and take appropriate corrective action, such as withdrawal of the product from the market, correction of the product at the customer location, notice to the customer of revised labeling and other actions.

Drug Price Competition and Patent Term Restoration Act of 1984

The Drug Price Competition and Patent Term Restoration Act of 1984, known as the Hatch-Waxman Act, provides for: (1) restoration of a portion of a product's patent term that was lost during clinical development and application review by the FDA; (2) statutory protection, known as exclusivity, against the FDA's acceptance or approval of certain competitor applications; and (3) the legal basis for the approval of ANDAs.

Patent term extension can compensate for time lost during product development and the regulatory review process by returning up to five years of patent life for a patent that covers a new product or its use. This period is generally one-half the time between the effective date of an IND and the submission date of an NDA, plus the time between the submission date of an NDA and the approval of that application. Patent term extensions, however, are subject to a maximum extension of five years, and the patent term extension cannot extend the remaining term of a patent beyond a total of 14 years. The application for patent term extension is subject to approval by the U.S. Patent and Trademark Office in conjunction with the FDA.

The Hatch-Waxman Act also provides for a period of statutory protection for new drugs that receive NDA approval from the FDA. If the FDA approves a new drug NDA as a new chemical entity, meaning that the FDA has not previously approved any other new drug containing the same active entity, then the Hatch-Waxman Act prohibits an abbreviated application by a generic competitor, with some exceptions, for a period of five years from the date of approval of the NDA. The Hatch-Waxman Act will not prevent the filing or approval of a full NDA, as opposed to an abbreviated application, for any drug, but the competitor would be required to conduct its own clinical trials, and any use of the drug for which marketing approval is sought could not violate another NDA holder's patent claims. If FDA approves an NDA for a new drug containing an active ingredient that was previously approved by the FDA, but the NDA is for a drug that includes new clinical data to support an innovation over the previously approved drug, then the Hatch-Waxman statutory exclusivity period is only three years from the date of the NDA approval that covers the innovation. Thus, the three year exclusivity does not prohibit the FDA, with limited exceptions, from approving generic drugs containing the same active ingredient but without the new innovation.

The Hatch-Waxman Act also permits the FDA to approve ANDAs for generic versions of drugs assuming the approval would not violate another NDA holder's patent claims. The ANDA process provides that an ANDA applicant needs only to submit data demonstrating that its product is bioequivalent to the innovator product as well as relevant chemistry, manufacturing and product data. The Hatch-Waxman Act also instituted a third type of drug application that requires the same information as a NDA, including full reports of clinical and preclinical studies, except that some of the information from the reports required for marketing approval comes from studies which the applicant

does not own or have a legal right of reference. This type of application, a 505(b)(2) NDA, permits a manufacturer to obtain marketing approval for a drug without needing to conduct or obtain a right of reference for all of the required studies.

Healthcare Reform Act and Related Laws

In March 2010, the President signed one of the most significant healthcare reform measures in decades the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Affordability Reconciliation Act, or collectively, the Healthcare Reform Act. The Healthcare Reform Act substantially changes the way in which healthcare will be financed by both governmental and private insurers and has a significant impact on the pharmaceutical industry. The Healthcare Reform Act contains a number of provisions that affect coverage and reimbursement of drug products and the medical imaging procedures in which our drug products are used. Key provisions, implemented in 2010 and after, include the following:

- establishing a presumed utilization rate of 75% for imaging equipment costing $1 million or more in the physician office and free-standing imaging facility setting for dates of service on or after January 1, 2011, which presumed utilization rate affects the Medicare per procedure medical imaging reimbursement. Under the American Taxpayer Relief Act of 2012, the presumed utilization rate was further increased to 90% for 2014 and subsequent years, which reduces the Medicare per procedure medical imaging reimbursement;

- increasing of the minimum rebate percentage of the average manufacturer price for Medicaid rebates payable by manufacturers of brand-name drugs (such as us) from 15.1% to the higher of 23.1% of the average manufacturer price or the difference between the average manufacturer price and the best price;

- extending Medicaid rebates payable by manufacturers of brand-name drugs to drugs paid by Medicaid managed care organizations;

- imposing a non-deductible annual fee on pharmaceutical manufacturers or importers who sell brand name prescription drugs to specified federal government programs; and

- imposing a non-deductible excise tax on medical devices effective in 2013.

The Healthcare Reform Act also establishes an Independent Payment Advisory Board, or IPAB, to reduce the per capita rate of growth in Medicare spending. Beginning in 2014, the IPAB is mandated to propose changes in Medicare payments if it is determined that the rate of growth of Medicare expenditures exceeds target growth rates or the projected percentage increase for the medical expenditures portion of the Consumer Price Index is greater than the projected percentage increase in the Consumer Price Index for all items. A proposal made by the IPAB must be implemented by the Centers for Medicare and Medicaid Services, or CMS, unless Congress adopts a proposal that achieves the necessary savings. IPAB proposals may impact payments for physician and free-standing imaging services beginning in 2015 and for hospital services beginning in 2020.

The Healthcare Reform Act also amended the federal self-referral laws, requiring referring physicians to inform patients under certain circumstances that the patients may obtain services, including MRI, computed tomography, PET, and certain other diagnostic imaging services, from a provider other than that physician, his or her group practice, another physician in his or her group practice, or another individual under direct supervision of the physician or another physician in the group practice. The referring physician must provide each patient with a written list of other suppliers who furnish such services in the area in which the patient resides. Effective January 1, 2011, this new information provision could have the effect of shifting where certain diagnostic medical imaging procedures are performed.

Separately, the Budget Control Act of 2011 established mandatory across-the-board cuts to the Medicare Program. These cuts were slated to go into effect as of January 1, 2013, but the American Taxpayer Relief Act delayed these cuts until March 1, 2013.

The Healthcare Reform Act has been subject to political and judicial challenge. In 2012, the Supreme Court considered the constitutionality of certain provisions of the law. The court upheld as constitutional the mandate for individuals to obtain health insurance, but held that the provision allowing the federal government to withhold certain Medicaid funds to states that do not expand state Medicaid programs was unconstitutional. The impact of the court's ruling remains uncertain. Political and judicial challenges to the law may continue in the wake of the court's ruling.

Healthcare Fraud and Abuse Laws

We are subject to various federal, state and local laws targeting fraud and abuse in the healthcare industry, including anti-kickback and false claims laws. The Federal Anti-Kickback Statute prohibits persons from knowingly and willfully soliciting, offering, receiving or providing essentially anything of value, directly or indirectly, in order to generate business, including the purchase or prescription of a drug, that is reimbursable by federal health care programs such as Medicare or Medicaid. The scope of the Federal Anti-Kickback Statute is broad. Regulatory "safe harbors" protect certain arrangements within the scope of the statute that meet the specific requirements of the safe harbor. Arrangements outside of the safe harbor may be subject to scrutiny by government enforcement agencies and prosecuted if the arrangement is considered abusive. Many states have adopted laws similar to the Federal Anti-Kickback Statute. The scope of these state prohibitions vary and may prohibit proposed or actual financial interactions involving business reimbursed under private health insurance as well as under government health care programs. At the federal and state level, there may not be regulations, guidance or court decisions that apply the laws to particular industry practices. There is therefore a possibility that our practices might be challenged under the anti-kickback laws.

Federal and state false claims laws generally prohibit anyone from knowingly and willingly presenting claims for payment to third party payors (including Medicare and Medicaid) or causing such claims to be presented when the claims involve reimbursed drugs or services that are false or fraudulent, items or services not provided as claimed, or medically unnecessary items or services. The Federal Civil False Claims Act, or False Claims Act, applies to false claims involving federal healthcare programs and permits a private individual acting as a "whistleblower" to bring actions on behalf of the federal government alleging violations of the False Claims Act and to share in any monetary recovery. State false claims acts may apply where a claim is submitted to any third party payor (whether private health insurance or a government health care program). Government enforcement agencies and private whistleblowers have asserted liability under false claims acts for claims submitted involving inadequate care, kickbacks, improper promotion of off-label uses (i.e., uses not expressly approved by the FDA in a drug's label), mis-reporting of drug prices to federal agencies and misrepresentations of services rendered. The Healthcare Reform Act revised the False Claims Act to provide that a claim arising from a violation of the Federal Anti-Kickback Statute constitutes a false or fraudulent claim for purposes of the False Claims Act. Our future activities relating to the reporting of discount and rebate information and other information affecting federal, state and third-party reimbursement of our products and to the sale and marketing of our products may be subject to scrutiny under these laws.

Laws and regulations have been enacted by the federal government and various states to regulate the sales and marketing practices of pharmaceutical manufacturers. The laws and regulations generally limit financial interactions between manufacturers and health care providers or require disclosure to the government and public of such interactions. The laws include federal "sunshine" provisions enacted in 2010 as part of the Healthcare Reform Act, and final regulations implementing this law were promulgated in February 2013. The sunshine provisions apply to applicable manufacturers with products reimbursed under Medicare, Medicaid, and the Children's Health Insurance Program, and

require those manufacturers to disclose annually to CMS (for re-disclosure to the public) certain payments or transfers of value made to physicians and their immediate family members. Manufacturers must report data for the period from August to December 2013 by March 31, 2014, and CMS will release the data by September 30, 2014. Separately, the Healthcare Reform Act requires manufacturers to submit information on the identity and quantity of drug samples requested and distributed during each year. This provision was to be effective on April 1, 2012. The FDA indicated its intent to exercise enforcement discretion through October 1, 2012, and stated that it would issue notice to industry prior to beginning enforcement of this section. At this time, the FDA has not issued any materials to suggest it is enforcing this requirement. State laws may also require disclosure of pharmaceutical pricing information and marketing expenditures. Many of these laws and regulations contain ambiguous requirements. Given the lack of clarity in laws and their implementation, our reporting actions could be subject to the penalty provisions of the pertinent federal and state laws and regulations.

Federal and state authorities are paying increased attention to enforcement of fraud and abuse laws within the pharmaceutical industry and private individuals have been active in alleging violations of the laws and bringing suits on behalf of the government under the False Claims Act. We are unable to predict whether we would be subject to actions under fraud and abuse laws or the impact of such actions. If we were subject to allegations concerning, or were convicted of violating, these laws, our business could be harmed. Violations of federal and state laws related to fraud and abuse are punishable by criminal or civil sanctions, including substantial fines, imprisonment and exclusion from participation in healthcare programs such as Medicare and Medicaid. Even the costs of defending such claims could adversely affect our financial performance. Violations of international fraud and abuse laws could result in similar penalties, including exclusion from participation in health programs outside the United States.

Other Healthcare Laws

Our operations may be affected by the Health Insurance Portability and Accountability Act of 1996, or HIPAA, and its implementing regulations, which established uniform standards for certain "covered entities" (healthcare providers, health plans and healthcare clearinghouses) governing the conduct of certain electronic healthcare transactions and protecting the security and privacy of protected health information. The American Recovery and Reinvestment Act of 2009, commonly referred to as the economic stimulus package, included the Health Information Technology for Economic and Clinical Health Act, or HITECH, which expands HIPAA's privacy and security standards. HITECH became effective on February 17, 2010, and implementing regulations were released in January 2013. Among other things, HITECH makes certain HIPAA privacy and security standards directly applicable to "business associates", independent contractors of covered entities that receive or obtain protected health information in connection with providing a service on behalf of covered entities. HITECH also increased the civil and criminal penalties that may be imposed and gave state attorneys general new authority to file civil actions for damages or injunctions in federal courts to enforce the federal HIPAA laws and seek attorney fees and costs associated with pursuing federal civil actions. Although we believe that we are neither a "covered entity" nor a "business associate" under the legislation, a business associate relationship may be imputed from facts and circumstances even in the absence of an actual business associate agreement. In addition, HIPAA and HITECH may affect our interactions with customers who are covered entities or their business associates.

Laws Relating to Foreign Trade

We are subject to various federal and foreign laws that govern our international business practices with respect to payments to government officials. Those laws include the U.S. Foreign Corrupt Practices Act, or FCPA, which prohibits U.S. companies and their representatives from paying, offering to pay, promising, or authorizing the payment of anything of value to any foreign government official, government staff member, political party, or political candidate for the purpose of obtaining or

retaining business or to otherwise obtain favorable treatment or influence a person working in an official capacity. In many countries, the health care professionals we regularly interact with may meet the FCPA's definition of a foreign government official. The FCPA also requires public companies to make and keep books and records that accurately and fairly reflect their transactions and to devise and maintain an adequate system of internal accounting controls.

Those laws also include the U.K. Bribery Act 2010, or Bribery Act, which proscribes giving and receiving bribes in the public and private sectors, bribing a foreign public official, and failing to have adequate procedures to prevent employees and other agents from giving bribes. U.S. companies that conduct business in the United Kingdom generally will be subject to the Bribery Act. Penalties under the Bribery Act include potentially unlimited fines for companies and criminal sanctions for corporate officers under certain circumstances.

Our policies mandate compliance with these anti-bribery laws. Our operations reach many parts of the world that have experienced governmental corruption to some degree, and in certain circumstances strict compliance with anti-bribery laws may conflict with local customs and practices. Despite our training and compliance programs, our internal control policies and procedures may not always protect us from reckless or criminal acts committed by our employees or agents.

Health and Safety Laws

We are also subject to various federal, state and local laws, regulations and recommendations, both in the United States and abroad, relating to safe working conditions, laboratory and manufacturing practices and the use, transportation and disposal of hazardous or potentially hazardous substances.

Environmental Matters

We are subject to various federal, state and local laws and regulations relating to the protection of the environment, human health and safety in the United States and in other jurisdictions in which we operate. Our operations, like those of other medical product companies, involve the transport, use, handling, storage, exposure to and disposal of materials and wastes regulated under environmental laws, including hazardous and radioactive materials and wastes. We cannot assure you that we have been or will be in compliance with environmental and health and safety laws at all times. If we violate these laws and regulations, we could be fined, criminally charged or otherwise sanctioned by regulators. We believe that our operations currently comply in all material respects with applicable environmental laws and regulations.

Certain environmental laws and regulations assess liability on current or previous owners or operators of real property for the cost of investigation, removal or remediation of hazardous materials or wastes at such formerly owned or operated properties or at third-party properties at which they have disposed of hazardous materials or wastes. In addition to cleanup actions brought by governmental authorities, private parties could bring personal injury, property damage or other claims due to the presence of, or exposure to, hazardous materials or wastes. We currently are not party to any claims or any obligations to investigate or remediate contamination at any of our facilities.

We are required to maintain a number of environmental permits and nuclear licenses for our North Billerica facility, which is our primary manufacturing, packaging and distribution facility. In particular, we must maintain a nuclear byproducts materials license issued by the Commonwealth of Massachusetts. This license requires that we provide financial assurance demonstrating our ability to cover the cost of decommissioning and decontaminating, or D&D, the Billerica site at the end of its use as a nuclear facility. We currently estimate the D&D cost at the Billerica site to be approximately $22.6 million. As of December 31, 2012 and 2011, we have a liability balance associated with the fair value of the asset retirement obligations of approximately $5.4 million and $4.9 million, respectively. We have recorded accretion expense of $0.6 million, $0.5 million and $0.4 million during the years ended December 31, 2012, 2011 and 2010, respectively. We currently provide this financial assurance in

the form of surety bonds. We generally contract with third parties for the disposal of wastes generated by our operations. Prior to disposal, we store any low level radioactive waste at our facilities until the materials are no longer considered radioactive, as allowed by our licenses and permits.

Environmental laws and regulations are complex, change frequently and have become more stringent over time. While we have budgeted for future capital and operating expenditures to maintain compliance with these laws and regulations, we cannot assure you that our costs of complying with current or future environmental protection, health and safety laws and regulations will not exceed our estimates or adversely affect our results of operations and financial condition. Further, we cannot assure you that we will not be subject to additional environmental claims for personal injury or cleanup in the future based on our past, present or future business activities. While it is not feasible to predict the future costs of ongoing environmental compliance, it is reasonably probable that there will be a need for future provisions for environmental costs that, in management's opinion, are not likely to have a material effect on our financial condition, but could be material to the results of operations in any one accounting period.

Employees

As of December 31, 2012, we had 585 employees, of which 458 were located in the United States and 127 were located internationally, and approximately 83 contractors. None of our employees are represented by a collective bargaining unit, and we believe that our relationship with our employees is excellent.

In 2013, we initiated a reduction in the number of our employees and contractors in connection with the strategic shift in our R&D program.

Corporate History

Founded in 1956 as New England Nuclear Corporation, we were purchased by E. I. du Pont de Nemours and Company in 1981. Bristol-Myers Squibb Company, or BMS, subsequently acquired the diagnostic medical imaging business as part of its acquisition of DuPont Pharmaceuticals in 2001. Avista Capital Partners, L.P. and its affiliates, or collectively, Avista, acquired the medical imaging business from BMS in January 2008.

Our Sponsor

Avista is a leading private equity firm with offices in New York, NY, Houston, TX and London, UK. Founded in 2005 as a spin-out from the former DLJ Merchant Banking Partners, or DLJMB, franchise, Avista's strategy is to make controlling or influential minority investments primarily in growth-oriented energy, healthcare, media, consumer and industrial companies. Through its team of seasoned investment professionals and industry experts, Avista seeks to partner with exceptional management teams to invest in and add value to well-positioned businesses.

Item 1A. Risk Factors

You should carefully consider the following risks. These risks could materially affect our business, results of operations or financial condition, cause the trading price of our outstanding notes to decline materially or cause our actual results to differ materially from those expected or those expressed in any forward-looking statements made by us or on our behalf. These risks are not exclusive, and additional risks to which we are subject include, but are not limited to, other risks and uncertainties that are not currently known to us or that we currently deem to be immaterial, the factors mentioned under "Cautionary Note Regarding Forward-Looking Statements" and the risks of our businesses described elsewhere in this annual report.

Our dependence upon third parties for the manufacture and supply of a substantial portion of our products could prevent us from delivering our products to our customers in the required quantities, within the required timeframe, or at all, which could result in order cancellations and decreased revenues.

We obtain a substantial portion of our products from third party suppliers. We currently rely on BVL as one of our two manufacturers of DEFINITY and Cardiolite product supply and our sole source manufacturer for Neurolite. We also rely on Mallinckrodt as our sole manufacturer for Ablavar. In August 2011, BVL announced that it will be transitioning out of the contract manufacturing business after December 31, 2013. In February 2013, the FDA informed us that the JHS facility was approved to manufacture DEFINITY, and we have since commenced shipping JHS-manufactured DEFINITY to customers. We also have on-going technology transfer activities at JHS for our Cardiolite product supply and Neurolite, but we can give no assurances as to when that technology transfer will be completed and when we will actually receive supply of Cardiolite products and Neurolite from JHS. In the meantime, we also have an alternate manufacturer for a limited supply of Cardiolite. We are also currently working to secure additional alternative suppliers for our key products as part of our on-going supply chain diversification strategy. In addition, for reasons of quality assurance or cost effectiveness, we purchase certain components and raw materials from sole suppliers (including, for example, the lead casing for our TechneLite generators). Because we do not control the actual production of many of the products we sell, we may be subject to delays caused by interruption in production based on conditions outside of our control. At our North Billerica, Massachusetts facility, we manufacture TechneLite on a relatively new, highly automated production line, as well as Thallium and Gallium using our older cyclotron technology. If we or one of our manufacturing partners experiences an event, including a labor dispute, natural disaster, fire, power outage, security problem, failure to meet regulatory requirements, product quality issue, technology transfer issue or other issue, we may be unable to manufacture the relevant products at previous levels or on the forecasted schedule, if at all. Due to the stringent regulations and requirements of the governing regulatory authorities regarding the manufacture of our products, we may not be able to quickly restart manufacturing at a third party or our own facility or establish additional or replacement sources for certain products, components or materials.

In July 2010, BVL temporarily shutdown the South Complex, which is the facility where BVL manufactures products for a number of customers, including us, in order to upgrade the facility to meet certain regulatory requirements. BVL had previously planned for the shutdown of the South Complex to run through March 2011 and to resume production of our products in April 2011. In anticipation of the shutdown, BVL manufactured for us additional inventory of these products to meet our expected needs during this period. After a series of unexpected delays, in the second quarter of 2012, BVL resumed manufacturing DEFINITY and allowed us to release product beginning at the end of the second quarter of 2012. BVL has also resumed manufacturing Cardiolite products, and we are supplying these products to the market. We currently believe that Neurolite will again become available from BVL in the latter half of 2013. We can give no assurances that BVL will be able to continue to manufacture and distribute our products through the balance of 2013 or that JHS will be able to manufacture and distribute our products in a high quality and timely manner and in sufficient quantities to allow us to avoid product stock-outs and shortfalls as we transition from BVL to JHS as our primary manufacturer during 2013. Currently, the regulatory authorities in certain countries prohibit us from marketing products manufactured by BVL, and JHS has not yet obtained approval of such regulatory authorities that would permit us to market products manufactured by JHS. Accordingly, until such regulatory approvals have been obtained, our international business, results of operations, financial condition, and cash flows will continue to be adversely affected.

Because of BVL's ongoing regulatory issues and our mutual desire to enter into a new contractual relationship to replace the original arrangement, in March 2012 we terminated the 2008 Agreement, entered into a Settlement Agreement, agreed to receive initial supplies from BVL pursuant to the Transition Services Agreement, and entered into a longer term arrangement pursuant to a

Manufacturing Services Agreement. For more detail on the arrangement, see "Item 1. Business—Raw Materials and Supply Relationships—Ben Ver Laboratories, Inc. and Technology Transfer." Despite this new contractual relationship, BVL can terminate (i) the new Transition Services Agreement in the event that regulatory action prevents manufacturing our products for at least nine months during the term of the agreement and upon the occurrence of certain specified events, including material breach by us, bankruptcy, force majeure events and BVL's sale, wind-down or cessation of business and (ii) the new Manufacturing and Service Contract, in the event that regulatory action prevents manufacturing for the full term of the agreement and upon the occurrence of specified events, including material breach by us, bankruptcy, force majeure events and BVL's sale, wind-down or cessation of business.

On January 22, 2013, BVL announced it had voluntarily entered into a consent decree with the FDA relating to current Good Manufacturing Practice requirements at its Bedford, Ohio facility. Under the consent decree, the FDA has given BVL approval to continue to manufacture all of our products for us. However, we can give no assurances that, operating under the consent decree, BVL will be able to manufacture and distribute our products in a timely manner and in sufficient quantities to allow us to avoid stock-outs or shortfalls as we transition from BVL to JHS as our primary manufacturer during 2013.

In addition to our existing manufacturing relationships, we are also pursuing the new manufacturing relationships described above to establish and secure additional or alternative suppliers for DEFINITY, Cardiolite and Neurolite. We cannot assure you, however, that these activities, will be successful, or that before such alternate manufacturers or sources of product are fully functional and qualified that we will be able to avoid or mitigate interim supply shortages. In addition, we cannot assure you that our existing suppliers or any new suppliers can adequately maintain either their financial health or regulatory compliance to allow continued production and supply. A reduction or interruption in manufacturing, or an inability to secure alternative sources of raw materials or components, could eventually have a material adverse effect on our business, results of operations, financial condition and cash flows.

Challenges with product quality or product performance, including defects, caused by us or our suppliers could result in a decrease in customers and sales, unexpected expenses and loss of market share.

The manufacture of our products is highly exacting and complex and must meet stringent quality requirements, due in part to strict regulatory requirements, including the FDA's cGMPs. Problems may arise during manufacturing for a variety of reasons including equipment malfunction, failure to follow specific protocols and procedures, defective raw materials and environmental factors. Additionally, manufacturing flaws, component failures, design defects, off-label uses or inadequate disclosure of product-related information could result in an unsafe condition or the injury or death of a patient. Such events could lead to a recall of, or issuance of a safety alert relating to, our products. We also may undertake voluntarily to recall products or temporarily shutdown production lines based on internal safety and quality monitoring and testing data.

Quality, regulatory, and recall challenges could cause us to incur significant costs, including costs to replace products, lost revenue, damage to customer relationships, time and expense spent investigating the cause and costs of any possible settlements or judgments related thereto and potentially cause similar losses with respect to other products. Such challenges could also divert the attention of our management and employees from product development efforts. If we deliver products with defects, or if there is a perception that our products or the processes related thereto contain errors or defects, we could incur additional recall and product liability costs, and our credibility and the market acceptance and sales of our products could be materially adversely affected. Due to the strong name recognition of our brands, an adverse event involving one of our products could result in reduced market acceptance and demand for all products within that brand, and could harm our reputation and our ability to market our products in the future. In some circumstances, adverse events arising from or

associated with the design, manufacture or marketing of our products could result in the suspension or delay of regulatory reviews of our applications for new product approvals. Such challenges could have a material adverse effect on our business, results of operations, financial condition and cash flows.

The global supply of Moly is fragile and not stable. Our dependence on a limited number of third-party suppliers for Moly could prevent us from delivering some of our products to our customers in the required quantities, within the required timeframe, or at all, which could result in order cancellations and decreased revenues.

A critical ingredient of TechneLite, currently our largest product by annual revenues, is Moly. There are nine major reactors located around the world which produce large scale amounts of Moly: NRU located in Canada; HFR located in The Netherlands; BR2 located in Belgium; OSIRIS located in France; SAFARI located in South Africa; OPAL located in Australia; LVR-10 located in the Czech Republic; MARIA located in Poland; and RA-8 located in Argentina. Moly produced at these reactors is then finished at one of six processing sites: Nordion (formerly known as MDS Nordion) in Canada; Covidien in The Netherlands; IRE in Belgium; NTP in South Africa; ANSTO in Australia; and CNEA in Argentina. Finished Moly is then sold to technetium generator manufacturers, including us. Historically, our largest supplier of Moly has been Nordion which has relied on the NRU reactor owned and operated by AECL, located in Chalk River, Ontario. This reactor was off-line from May 2009 until August 2010 due to a heavy water leak in the reactor vessel. The inability of the NRU reactor to produce Moly and Nordion to finish Moly during the shutdown period had a detrimental effect on our business, results of operations and cash flows. As a result of the NRU reactor shutdown, we experienced business interruption losses. We estimate the quantity of such losses to be, in the aggregate, more than $70 million, including increases in the cost of obtaining limited amounts of Moly from alternate, more distant, suppliers, and substantial decreases in sales revenue as a result of significantly curtailed manufacturing of TechneLite generators and our decreased ability to sell other Moly-based medical imaging products, including Cardiolite, in comparison to our forecasted results. The Government of Canada has stated publicly its intent to exit the isotope business when the NRU reactor's current license expires in October 2016.

As part of the conditions for the relicensing of the NRU reactor through October 2016, the Canadian government has asked AECL to shut down the reactor for at least four weeks at least once a year for inspection and maintenance. The next shutdown period is currently scheduled to run from mid-April 2013 until mid-May 2013. We currently believe that we will be able to source all of our standing-order customer demand for Moly during this time period from our other suppliers. However, because Xenon is a by-product of the Moly production process and is currently captured only by NRU, during this shutdown period, we do not currently believe that we will be able to supply all of our standing-order customer demand for Xenon. There can be no assurance that such off-line periods will last for the stated time or that the NRU will not experience other unscheduled shutdowns in the future. Further prolonged scheduled or unscheduled shutdowns would limit the amount of Moly and Xenon available to us and limit the quantity of TechneLite that we could manufacture, distribute and sell and the amount of Xenon that we could distribute and sell, resulting in a further substantial negative effect on our business, results of operations, financial condition and cash flows.

In the face of the NRU reactor operating challenges, the lack of a long-term commitment by the Government of Canada to the medical isotope industry and the NRU reactor re-licensure risks, we entered into Moly supply agreements with NTP, ANSTO and IRE to augment our supply of Moly. While this additional Moly supply allowed us to continue to manufacture and sell technetium generators during the NRU reactor shutdown, this replacement capacity was not at the time sufficient to replace the quantity of supply we otherwise received from Nordion. A prolonged disruption of service from one of our significant Moly suppliers could have a material adverse effect on our business, results of operations, financial condition and cash flows. We are also pursuing additional sources of Moly from potential new producers around the world to further augment our current supply, but we

cannot assure you that these possible additional sources of Moly will result in commercial quantities of Moly for our business, or that these new suppliers together with our current suppliers will be able to deliver a sufficient quantity of Moly to meet our needs.

U.S., Canadian and international governments have encouraged the development of a number of alternative Moly production projects with existing reactors and technologies as well as new technologies. However, the Moly produced from these projects will likely not become available until 2015 or later. As a result, there is a limited amount of Moly available which could limit the quantity of TechneLite that we could manufacture, distribute and sell, resulting in a further substantial negative effect on our business, results of operations, financial condition and cash flows.

Further supply challenges in the global Moly supply chain could have a substantial and negative effect on us. For example, currently, the HFR reactor is off-line, and HFR's operator has stated that it is not possible to provide a prospective return to service date. Although only a small portion of the Moly we purchase is manufactured at the HFR reactor, if the HFR reactor does not return to service prior to the scheduled NRU shutdown in April 2013, the demand for Moly manufactured at the remaining global suppliers will increase substantially, and there may not be sufficient near-term capacity to meet either aggregate market demand or our own customer demand, which could have a negative effect on our business, results of operations, financial condition and cash flows.

The instability of the global supply of Moly and recent supply shortages have resulted in increases in the cost of Moly, which has negatively affected our margins, and more restrictive agreements with suppliers, which could further increase our costs.

With the general instability in the global supply of Moly and supply shortages during 2009 and 2010, we have faced substantial increases in the cost of Moly in comparison to historical costs. We are generally able to pass these Moly cost increases on to our customers in our customer contracts. If we are not able to do so in the future, our margins may decline further with respect to our TechneLite generators, which could have a material adverse effect on our business, results of operations, financial condition and cash flows.

The Moly supply shortage caused by the NRU reactor shutdown has had a negative effect on the demand for some of our products, which will likely continue in the future.

The Moly supply shortage also had a negative effect on the use of other technetium generator-based diagnostic medical imaging agents, including Cardiolite products. With less Moly, we manufactured fewer generators for radiopharmacies and hospitals to make up unit doses of Cardiolite products, resulting in decreased share of Cardiolite products in favor of Thallium, an older medical isotope that does not require Moly, and other diagnostic modalities. With the return to service of the NRU reactor, we have seen increased sales of TechneLite. However, TechneLite unit volume has not returned to pre-shortage levels for, we believe, a number of reasons, including: (i) changing staffing and utilization practices in radiopharmacies, which have resulted in an increased number of unit-doses of technetium-based radiopharmaceuticals being made from available amounts of technetium; (ii) shifts to alternative diagnostic imaging modalities during the Moly supply shortage, which have not returned to technetium-based procedures; and (iii) decreased amounts of technetium being used in unit-doses of technetium-based radiopharmaceuticals due to growing concerns about patient radiation dose exposure. We do not know if the staffing and utilization practices in radiopharmacies, the mix between technetium and non-technetium-based diagnostic procedures and the increased concerns about radiation exposure will allow technetium demand to ever return to pre-shortage levels, which could have a material adverse effect on our business, results of operations, financial condition and cash flows.

Our just-in-time manufacturing of radiopharmaceutical products relies on the timely receipt of radioactive raw materials and the timely shipment of finished goods, and any disruption of our supply or distribution networks could have a negative effect on our business.

Because a number of our radiopharmaceutical products, including our TechneLite generators, rely on radioisotopes with limited half-lives, we must manufacture, finish and distribute these products on a just-in-time basis because the underlying radioisotope is in a constant state of radio-decay. For example, if we receive Moly in the morning of a manufacturing day for TechneLite generators, we will generally ship finished generators to customers by the end of the business day. Shipment of generators may be by next day delivery services or by either ground or air custom logistics. Any delay in us receiving radioisotopes from suppliers or being able to have finished products delivered to customers because of weather or other unforeseen transportation issues could have a negative effect on our business, results of operations, financial condition and cash flows.

In the United States, we are heavily dependent on a few large customers to generate a majority of our revenues for our nuclear imaging products. Outside of the United States, we rely on distributors to generate a substantial portion of our revenue.

In the United States, we rely on a limited number of radiopharmacy chains, primarily Cardinal, GE Healthcare and UPPI, to distribute our current largest volume nuclear imaging products and generate a majority of our revenues. These three customers accounted for approximately 47.3% of our total revenues in the fiscal year ended December 31, 2012, with Cardinal, GE Healthcare, and UPPI accounting for 27.4%, 11.5% and 8.4%, respectively. Among the existing radiopharmacies in the United States, continued consolidations, divestitures and reorganizations may have a negative effect on our business, results of operations, financial condition or cash flows. We generally have distribution arrangements with our major radiopharmacy customers pursuant to multi-year contracts, each of which is subject to renewal, from as soon as December 2013 until as late as December 2017. If these contracts are not in force through the balance of their term or are not renewed, or the terms are less favorable to us, it could have a material adverse effect on our business, results of operations, financial condition and cash flows.

Outside of the United States, Canada, Australia and Puerto Rico, we have no radiopharmacies or sales force and therefore rely on distributors, either on a country-by-country basis or on a multi-country, regional basis, to market, distribute and sell our products. These distributors accounted for approximately 16%, 19% and 23% of total non-U.S. revenues for the fiscal years ended December 31, 2012, 2011 and 2010, respectively. In certain circumstances, these distributors may also sell competing products to our own or products for competing diagnostic modalities. As a result, we cannot assure you that our international distributors will increase or maintain our current levels of unit sales or increase or maintain our current unit pricing, which, in turn, could have a material adverse effect on our business, results of operations, financial condition and cash flows.

We face significant competition in our business and may not be able to compete effectively.

The market for diagnostic medical imaging agents is highly competitive and continually evolving. Our principal competitors in existing diagnostic modalities include large, global companies with substantial financial, manufacturing, sales and marketing, and logistics resources that are more diversified than us, such as Mallinckrodt, GE Healthcare, Ion Beam Applications, Bayer, Bracco and Draxis, as well as other competitors. We cannot anticipate their competitive actions, such as price reductions on products that are comparable to our own, development of new products that are more cost-effective or have superior performance than our current products, the introduction of generic versions when our proprietary products lose their patent protection or the new entry into a generic segment in which we are already a participant. Our current or future products could be rendered obsolete or uneconomical as a result of this competition. Our failure to compete effectively could cause us to lose market share to our competitors and have a material adverse effect on our business, results of operations, financial condition and cash flows.

Generic competition has significantly eroded our share of the MPI segment for Cardiolite products and will likely continue to do so.

We are currently aware of four separate third-party generic offerings of sestamibi, the first of which launched in September 2008. Cardiolite products accounted for approximately 12%, 19% and 22% of our total revenues in the fiscal years ended December 31, 2012, 2011, and 2010, respectively. Included in Cardiolite is branded Cardiolite and generic sestamibi, some of which we produce and some of which we procure from third parties. With the advent of generic competition in September 2008, we have faced significant and continued pricing pressure on Cardiolite. To the extent generic competitors further reduce their prices, we may be forced to further reduce the price of our Cardiolite products and lose additional segment share, which would have an adverse effect on our business, results of operations, financial condition and cash flows. See "Item 7—Management's Discussion and Analysis of Financial Condition and Results of Operations." In addition, because several of the products we manufacture became less available due to recent supply challenges, certain of our customers may have begun to favor a generic offering or a competing agent or diagnostic modality. If we experience continued pricing pressure or such product or modality shift is sustained, it could have a material adverse effect on our business, results of operation, financial condition and cash flows.

The growth of our business is substantially dependent on increased segment penetration for DEFINITY in suboptimal echocardiograms.

With on-going generic competition to our Cardiolite products, reduced demand for certain of our radiopharmaceutical products in comparison to historic levels and on-going challenges with Ablavar market acceptance, the growth of our business is substantially dependent on increased segment penetration for DEFINITY in suboptimal echocardiographs. Of the nearly 27 million echocardiograms performed each year in the United States, it is estimated that 20%, or approximately five million echocardiograms, produce suboptimal images. Based on our own estimates, we believe that DEFINITY is used in approximately 2% of all echocardiograms or approximately 10% of all suboptimal echocardiograms. If we are not able to continue to grow DEFINITY sales through increased segment penetration, we will not be able to grow the revenue and cash flow of the business or continue to fund our other growth initiatives at planned levels, which could have a negative effect on long term value.

We may not be able to develop or commercialize our product candidates without successful strategic partners.

In March 2013, we began to implement a strategic shift in how we will fund our important R&D programs. We will reduce over time our internal R&D resources while at the same time we seek to engage strategic partners to assist us in the further development and commercialization of our important development candidates, including flurpiridaz F 18, 18F LMI 1195 and LMI 1174. However, we may not be able to negotiate relationships with potential strategic partners on acceptable terms, or at all. If we are unable to establish or maintain such strategic partnerships, we may have to limit the size or scope of, or delay, of our development programs, or undertake further development activities at our own expense. In addition, our dependence on strategic partnerships is subject to a number of risks, including:

- the inability to control the amount or timing of resources that our partners may devote to developing the product candidates;
- the possibility that we may be required to relinquish important rights, including intellectual property, marketing and distribution rights;
- the receipt of lower revenues than if we were to commercialize such products ourselves;
- our failure to receive future milestone payments or royalties if a partner fails to commercialize one of our product candidates successfully;

- the possibility that a partner could separately move forward with a competing product candidate developed either independently or in collaboration with others, including our competitors;

- the possibility that our strategic partners may experience financial difficulties;

- business combinations or significant changes in a partner's business strategy that may adversely affect that partner's willingness or ability to complete its obligations under any arrangement with us; and

- the possibility that our partners may operate in countries where their operations could be negatively impacted by changes in the local regulatory environment or by political unrest.

Any of these factors either alone or taken together could have a material adverse effect on our business, results of operations, financial condition and cash flows.

Certain of our customers are highly dependent on payments from third-party healthcare payors, including government sponsored programs, particularly Medicare, in the United States and other countries in which we operate, and reductions in third-party coverage and reimbursement rates for our products could adversely affect our business and results of operations.

A substantial portion of our revenue depends, in part, on the extent to which the costs of our products purchased by our customers are reimbursed by third-party private and governmental payors, including Medicare, Medicaid and other U.S. government sponsored programs as well as other non-U.S. governmental payors and private payors. These third-party payors exercise significant control over patient access and increasingly use their enhanced bargaining power to secure discounted rates and other requirements that may increase the cost of service or reduce demand for our products. Our potential customers' ability to obtain appropriate reimbursement for products and services from these third-party payors affects the selection of products they purchase and the prices they are willing to pay. If these third-party payors do not provide appropriate reimbursement for the costs of our products, deny their coverage or reduce their current levels of reimbursement, healthcare professionals may not prescribe our products and providers and suppliers may not purchase our products. In addition, demand for new products may be limited unless we obtain favorable reimbursement policies (including coverage, coding and payment) from governmental and private third-party payors at the time of the product's introduction. Third-party payors continually review their coverage policies for existing and new therapies and can deny coverage for treatments that include the use of our products or revise payment policies such that payments do not adequately cover the cost of our products. Even if third-party payors make coverage and reimbursement available, such reimbursement may not be adequate or these payors' reimbursement policies may have an adverse effect on our business, results of operations, financial condition and cash flows.

Over the past several years, Medicare has implemented numerous changes to payment policies for imaging procedures, some of which have had a negative impact on utilization of imaging services. These include limiting payments in physician offices and free-standing imaging facility settings based upon rates paid to hospital outpatient departments, reducing payments for certain imaging procedures when performed together with other imaging procedures in the same family of procedures, and making significant revisions to the methodology for determining the practice expense portion of Medicare payment, which covers physician office expenses, including staff, equipment and supplies. In 2010, CMS, began a four year transition to changes in the practice expense methodology based upon the Physician Practice Information Survey, or PPIS, which collected information on physician practice expenses by specialty. For 2013, CMS estimates that these changes will reduce payments for cardiology services by 2% and for nuclear medicine services by 2%. In addition, two other changes to the practice expense calculations have recently been adopted. First, the American Taxpayer Relief Act of 2012 increased the utilization rate for certain imaging equipment from 75% to 90% in the physician office and free-standing imaging facility setting, which decreases payment rates for the technical component of

medical imaging procedures. Second, in 2013, CMS finalized a policy to use a sliding scale approach for loan interest rates based on the current Small Business Administration ("SBA") maximum interest rates for different categories of loan size (price of the equipment) and maturity (useful life of the equipment). Insofar as the interest rate affects practice expense calculations, this sliding scale approach will result in lower reimbursement rates for physician office and freestanding imaging providers.

There continues to be instability in the Hospital Outpatient Prospective Payment System payment rates for certain imaging procedures in the last several years, including cardiac PET and echocardiography with contrast. For example, for 2013, CMS finalized a policy to make an additional payment to hospitals that utilize products with non-HEU, meaning the product is 95% derived from non-HEU sources. Although some of our products are manufactured using non-HEU, not all of our products meet CMS's definition of non-HEU, and therefore this payment will not be available for all products used by our customers. This payment as well as other changes to the Hospital Outpatient Prospective Payment System payment rates could influence the decisions by hospital outpatient physicians to perform procedures that involve our products.

For 2010, CMS reduced the per procedure medical imaging reimbursement in the physician office and free-standing imaging facility. CMS transitioned further reductions in payments through 2013. In addition, effective January 1, 2013, CMS implemented a multiple procedure payment reduction for certain diagnostic cardiovascular procedures. Under this reduction, full payment is made for the most expensive technical component service, and payment is made at 75% for subsequent technical components furnished by the physician (or by physicians in the same group practice) to the same patient on the same day. We believe that these changes will continue to result in certain physicians and group practices ceasing to provide these services and will have the further effect of shifting where certain medical imaging procedures are performed from the physician office and free-standing imaging facility settings to the hospital outpatient setting, which we believe has incrementally reduced the overall number of diagnostic medical imaging procedures performed. Further, these changes could slow the acceptance and introduction of next-generation imaging equipment into the marketplace, which, in turn, could adversely impact the future market adoption of certain of our imaging agents already in the market or currently in clinical or preclinical development. We expect that there will continue to be proposals to reduce or limit Medicare and Medicaid payment for diagnostic services. To the extent any of these or other provisions of the Healthcare Reform Act have the effect of reducing the aggregate number of diagnostic medical imaging procedures performed in the United States, our business, results of operations, financial condition and cash flows would be adversely affected. See "Item 1—Business—Regulatory Matters."

Under the statutory Medicare sustainable growth rate formula, payments under the Medicare Physician Fee Schedule could have decreased significantly over the past several years without Congressional intervention. In the past, when the application of the statutory formula would have resulted in lower payments, Congress has passed interim legislation to prevent the reductions. For 2013, President Obama signed the American Taxpayer Relief Act of 2012, which prevented the negative update factorfrom going into effect and continues the zero percent update for physician services furnished between January 1, 2013 and December 31, 2013. If Congress fails to intervene to prevent the negative update factor in the future through either another temporary measure or a permanent revision to the statutory formula, payments to physicians may be reduced.

Reforms to the United States healthcare system may adversely affect our business.

A significant portion of our patient volume is derived from U.S. government healthcare programs, principally Medicare, which are highly regulated and subject to frequent and substantial changes. For example, in March 2010, the President signed one of the most significant healthcare reform measures in decades, the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Affordability Reconciliation Act, or, collectively, the Healthcare Reform Act. The Healthcare

Reform Act contains a number of provisions that affect coverage and reimbursement of drug products and the medical imaging procedures in which our drug products are used. See "Item 1—Business—Regulatory Matters—Healthcare Reform Act and Related Laws." We cannot assure you that the Healthcare Reform Act, as currently enacted or as amended in the future, will not adversely affect our business and financial results, and we cannot predict how future federal or state legislative or administrative changes relating to healthcare reform will affect our business.

In addition, other legislative changes have been proposed and adopted since the Healthcare Reform Act was enacted. In August 2011, the President signed into law the Budget Control Act of 2011. The Budget Control Act includes provisions to raise the U.S. Treasury Department's borrowing limit, known as the federal debt ceiling, and to reduce the federal deficit. The Budget Control Act contemplates the imposition of automatic spending reductions beginning in 2013 if timely action is not taken by Congress to reduce the deficit. Timely action was not taken, but legislation was enacted to delay the automatic reductions until March 1, 2013 and reduce the amount of automatic reduction. The automatic reduction, if implemented, would not affect Medicaid, but reductions in payments to Medicare providers may be made up to 2% of the originally budgeted amount. Any significant spending reductions affecting Medicare, Medicaid or other publicly funded or subsidized health programs that may be implemented, and/or any significant taxes or fees that may be imposed on us, as part of any broader deficit-reduction effort or legislative replacement to the Budget Control Act, could have an adverse impact on our results of operations.

Enforcement of the U.S. federal debt ceiling has been suspended through May 18, 2013. If the U.S. federal government fails to suspend enforcement of the debt ceiling beyond May 18, 2013 or to increase the debt ceiling and, as a result, is unable to satisfy its financial obligations, including under Medicare, Medicaid and other publicly funded or subsidized health programs, our results of operations could be adversely impacted.

The full impact on our business of the Healthcare Reform Act and the other new laws is uncertain. Nor is it clear whether other legislative changes will be adopted or how such changes would affect our industry generally or our ability to successfully commercialize our products or the development of new products.

The Healthcare Reform Act could potentially reduce the number of diagnostic medical imaging procedures performed or could reduce the amount of reimbursements paid for such procedures.

The Healthcare Reform Act, based on February 2013 estimates from the Congressional Budget Office, is expected to extend coverage to approximately 27 million previously uninsured Americans. We cannot predict how many, if any, of those additional insureds would be current or future candidates for diagnostic medical imaging or, if as a result of such larger pool of insured Americans, the aggregate number of diagnostic medical imaging procedures performed in the United States would increase.

Further, the implementation of the Healthcare Reform Act could potentially reduce the aggregate number of diagnostic medical imaging procedures performed in the United States. Under the Healthcare Reform Act, referring physicians under the federal self-referral law must inform patients that they may obtain certain services, including MRI, computed tomography, PET, and certain other diagnostic imaging services from a provider other than that physician, another physician in his or her group practice, or another individual under the direct supervision of the physician or another physician in the group practice. The referring physician must provide each patient with a written list of other suppliers who furnish such services in the area in which the patient resides. This new information provision could have the effect of shifting where certain diagnostic medical imaging procedures are performed, which could potentially reduce the overall number of diagnostic medical imaging procedures performed.

Further, we expect that there will continue to be proposals to reduce or limit Medicare and Medicaid payment for services. Rates paid by some private third-party payors are based, in part, on established physician, clinic and hospital charges and are generally higher than Medicare payment rates. Reductions in the amount of reimbursement paid for diagnostic medical imaging procedures and changes in the mix of our patients between non-governmental payors and government sponsored healthcare programs and among different types of non-government payor sources, could have a material adverse effect on our business, results of operations, financial condition and cash flows.

Our business and industry are subject to complex and costly regulations. If government regulations are interpreted or enforced in a manner adverse to us or our business, we may be subject to enforcement actions, penalties, exclusion and other material limitations on our operations.

Both before and after the approval of our products and product candidates, we, our products, product candidates, operations, facilities, suppliers, distributors, contract manufacturers, contract research organizations and contract testing laboratories are subject to extensive regulation by federal, state and local government agencies in the United States as well as non-U.S. and transnational laws and regulations, with regulations differing from country to country. In the United States, the FDA regulates, among other things, the pre-clinical testing, clinical trials, manufacturing, safety, efficacy, potency, labeling, storage, record keeping, quality systems, advertising, promotion, sale, distribution, and import and export of drug products. We are required to register our business for permits and/or licenses with, and comply with the stringent requirements of the FDA, the NRC, the HHS, Health Canada, the EMA, state and provincial boards of pharmacy, state and provincial health departments and other federal, state and provincial agencies.

For example, we are required to report certain adverse events and production problems, if any, to the FDA. Additionally, we must comply with requirements concerning advertising and promotion for our products, including the prohibition on the promotion of our products for indications that have not been approved by the FDA or a so-called "off-label use." If the FDA determines that our promotional materials constitute the unlawful promotion of an off-label use, it could request that we modify our promotional materials or subject us to regulatory or enforcement actions. Also, quality control and manufacturing procedures at our own facility and at third-party suppliers must conform to cGMP regulations and other applicable law after approval, and the FDA periodically inspects manufacturing facilities to assess compliance with cGMPs and other applicable law, and, from time to time, makes such cGMPs more stringent. Accordingly, we and others with whom we work must expend time, money, and effort in all areas of regulatory compliance, including manufacturing, production, and quality control. For example, in June and July 2011, the FDA inspected our facility in Billerica, MA. Following the inspection, the FDA made eight so called "483 observations", which we believe we have since substantially remediated. We also filed a field alert and initiated a recall in connection with six lots of Cardiolite and Neurolite manufactured by BVL prior to the shutdown. Although there were no significant changes in product safety risk profiles with relatively stable adverse event rates being reported and although the rates of serious adverse medical events had also not changed significantly and are rare for these products, our medical risk assessment determined that there was a theoretical risk to patients associated with the injection of product from these lots because of the identification of certain particulate matter in a limited number of vials from these lots, which was introduced during the BVL manufacturing process. In connection with the field alerts, we conducted a 100% inspection for the presence of foreign matter for all unexpired lots of Cardiolite within our control, including retained vials, stability samples and any remaining inventory. After completing the inspections, we concluded that the probability of patient exposure to foreign matter was very low and the overall patient risk associated with Cardiolite product in the field was very low. Accordingly, we concluded that Cardiolite lots in the field were suitable for use and all inspected material was returned to active inventory status.

As an example of our third party manufacturers having to conform to cGMP regulations and other applicable laws, on January 22, 2013, BVL announced it had voluntarily entered into a consent decree with the FDA relating to cGMP requirements at its Bedford, Ohio facility. Under the consent decree, the FDA has given BVL approval to continue to manufacture all of our products for us. However, we can give no assurances that, operating under the consent decree, BVL will be able to manufacture and distribute our products in a timely manner and in sufficient quantities to allow us to avoid stock-outs and shortfalls as we transition from BVL to JHS as our primary manufacturer during 2013.

In addition, in February 2012, the FDA announced that on June 12, 2012, it will begin to require that the manufacturers of commercial PET products, including radiopharmacies, hospitals and academic medical centers, either submit an NDA or ANDA for producing PET drugs for clinical use, or produce the drugs under an IND.

We are also subject to laws and regulations that govern financial and other arrangements between pharmaceutical manufacturers and healthcare providers, including federal and state anti-kickback statutes, federal and state false claims laws and regulations, beneficiary inducement laws and regulations, and other fraud and abuse laws and regulations. For example, in 2010, we entered into a Medicaid Drug Rebate Agreement for certain of our products, which could subject us to potential liability under the False Claims Act, civil monetary penalties, or liability under other laws and regulations in connection with the covered products as well as the products not covered by the agreement. Although we and most of our competitors had not previously entered into such an agreement and it is unclear that it is required, we received inquiries from several states and decided to enter into such agreement. Determination of the rebate amount for our products under the Medicaid program, as well as determination of payment amounts under Medicare and certain other third-party payers, including government payers, depends upon information reported by us to the government. If we provide customers or government officials with inaccurate information about the products' eligibility for reimbursement, or the products fail to satisfy eligibility requirements, we could be subject to potential liability under the False Claims Act or other laws and regulations or be subject to civil monetary penalties.

Additionally, funds received under all healthcare reimbursement programs are subject to audit with respect to the proper billing by customers. Our customers engage in billing, and retroactive adjustments of revenue received from these programs could occur.

Failure to comply with other requirements and restrictions placed upon us by laws and regulations can result in fines, civil and criminal penalties, exclusion from federal health care programs and debarment. Possible consequences of such actions could include:

- substantial modifications to our business practices and operations; a total or partial shutdown of production in one or more of our facilities while we remediate the alleged violation;
- delays in or the inability to obtain future pre-market clearances or approvals; and
- withdrawals or suspensions of current products from the market.

Regulations are subject to change as a result of legislative, administrative or judicial action, which may also increase our costs or reduce sales. Violation of any of these regulatory schemes, individually or collectively, could disrupt our business and have a material adverse effect on our business, results of operations, financial condition and cash flows.

It is time consuming and costly to obtain regulatory approval for our product candidates, which could delay or prevent us from being able to generate revenue from product sales.

We are not permitted to market our product candidates in the United States or other countries until we have received requisite regulatory approvals. For example, securing FDA approval for a new

drug requires the submission of an NDA, to the FDA for our drug candidates. The NDA must include extensive nonclinical and clinical data and supporting information to establish the product candidate's safety and effectiveness for each indication. The NDA must also include significant information regarding the chemistry, manufacturing and controls for the product. The FDA review process can take many years to complete, and approval is never guaranteed. If a product is approved, the FDA may limit the indications for which the product may be marketed, require extensive warnings on the product labeling, impose restricted distribution programs, require expedited reporting of certain adverse events, or require costly ongoing requirements for post-marketing clinical studies and surveillance or other risk management measures to monitor the safety or efficacy of the product candidate. Markets outside of the United States also have requirements for approval of drug candidates with which we must comply prior to marketing. Obtaining regulatory approval for marketing of a product candidate in one country does not ensure we will be able to obtain regulatory approval in other countries, but a failure or delay in obtaining regulatory approval in one country may have a negative effect on the regulatory process in other countries. Also, any regulatory approval of any of our products or product candidates, once obtained, may be withdrawn. Approvals might not be granted on a timely basis, if at all.

Any failure or significant delay in completing clinical trials for our product candidates (for example, because of our greater future reliance on strategic partners to assist us in our development programs), or in receiving regulatory approval for the sale of our product candidates, may severely harm our business and delay or prevent us from being able to generate revenue from product sales. See "—Our business and industry are subject to complex and costly regulations. If government regulations are interpreted or enforced in a manner adverse to us or our business, we may be subject to enforcement actions, penalties, exclusion and other material limitations on our operations."

Our marketing and sales practices may contain risks that could result in significant liability, require us to change our business practices and restrict our operations in the future.

We are subject to federal, state and local laws targeting fraud and abuse in the healthcare industry, including the federal fraud and abuse laws, including the False Claims Act and Federal Anti-Kickback Statute, the FCPA, the Bribery Act, the self-referral laws and restrictions on the promotion of off-label uses of our products. Violations of these laws are punishable by criminal or civil sanctions, including substantial fines, imprisonment and exclusion from participation in healthcare programs such as Medicare and Medicaid as well as health programs outside the United States. These laws and regulations are complex and subject to changing interpretation and application, which could restrict our sales or marketing practices. Even minor and inadvertent irregularities could potentially give rise to a charge that the law has been violated. Although we believe we maintain an appropriate compliance program, we cannot be certain that the program will adequately detect or prevent violations and/or the relevant regulatory authorities may disagree with our interpretation. Additionally, if there is a change in law, regulation or administrative or judicial interpretations, we may have to change one or more of our business practices to be in compliance with these laws. Required changes could be costly and time consuming.

The Healthcare Reform Act, through its federal "sunshine" provisions, also imposes new requirements on device and drug manufacturers to report any "payment or transfer of value" to physicians and teaching hospitals; or ownership and investment interests held by physicians or their immediate family members. The first report for financial interactions and ownership interests is due in 2014 (covering August 1, 2011 through December 31, 2011). Failure to submit required information may result in civil monetary penalties of up to $150,000 per year (and up to $1 million per year for "knowing failures").

Separately, the Healthcare Reform Act requires manufacturers to submit information on the identity and quantity of drug samples requested and distributed by a manufacturer during each year. The provision was to be effective on April 1, 2012, but the FDA indicated that it would exercise

enforcement discretion until October 1, 2012, and would issue a notice prior to its decision to begin enforcing this decision. At this time, FDA has not published a notice to begin enforcement of this provision. State laws may also require disclosure of pharmaceutical pricing information and marketing expenditures. We believe we have developed appropriate protocols to implement these reporting requirements. Any irregularities or mistakes in our reporting, however, could result in a finding that we have been non-compliant with these requirements, which could subject us to the penalty provisions of applicable federal and state laws and regulations.

The Healthcare Reform Act also provides greater financial resources to be allocated to enforcement of the fraud and abuse laws and clarifies or lowers the standard of proof for the Federal Anti-Kickback Statute and other criminal healthcare fraud statutes, which may increase overall compliance costs for industry participants, including us. A person or entity does not need to have actual knowledge of the Federal Anti-Kickback Statute or a specific intent to violate the Federal Anti-Kickback Statute. In addition, the Healthcare Reform Act revised the False Claims Act to provide that a claim arising from a violation of the Federal Anti-Kickback Statute constitutes a false or fraudulent claim for purposes of the False Claims Act. The violation of these laws, or our exclusion from programs such as Medicare, Medicaid and other governmental programs as a result of a violation of such laws, could have a material adverse effect on our business, results of operations, financial condition and cash flows.

Ultrasound contrast agents may cause side effects which could limit our ability to sell DEFINITY.

DEFINITY is an ultrasound contrast agent based on perflutren lipid microspheres. In 2007, the FDA received reports of deaths and serious cardiopulmonary reactions following the administration of ultrasound micro-bubble contrast agents used in echocardiography. Four of the 11 reported deaths were caused by cardiac arrest occurring either during infusion or within 30 minutes following the administration of the contrast agent; most of the serious but non-fatal reactions also occurred in this time frame. As a result, in October 2007, the FDA requested that we and GE Healthcare, which distributes Optison, a competitor to DEFINITY, add a boxed warning to these products emphasizing the risk for serious cardiopulmonary reactions and that the use of these products was contraindicated in certain patients. In a strong reaction by the cardiology community to the FDA's new position, a letter was sent to the FDA, signed by 161 doctors, stating that the benefit of these ultrasound contrast agents outweighed the risks and urging that the boxed warning be removed. In May 2008, the FDA substantially modified the boxed warning. On May 2, 2011, the FDA held an advisory committee meeting to consider the status of ultrasound micro-bubble contrast agents and the boxed warning. In October 2011, we received FDA approval of further modifications to the DEFINITY label, including: further relaxing the boxed warning; eliminating the sentence in the Indication and Use section "The safety and efficacy of DEFINITY with exercise stress or pharmacologic stress testing have not been established" (previously added in October 2007 in connection with the imposition of the box warning); and including summary data from the post-approval CaRES (Contrast echocardiography Registry for Safety Surveillance) safety registry and the post-approval pulmonary hypertension study. If additional safety issues arise, this may result in further changes in labeling or result in restrictions on the approval of our product, including removal of the product from the market. Lingering safety concerns about DEFINITY among some healthcare providers or future unanticipated side effects or safety concerns associated with DEFINITY could have a material adverse effect on the unit sales of this product and our financial condition and results of operations.

Our business depends on our ability to successfully introduce new products and adapt to a changing technology and diagnostic landscape.

The healthcare industry is characterized by continuous technological development resulting in changing customer preferences and requirements. The success of new product development depends on

many factors, including our ability to anticipate and satisfy customer needs, obtain regulatory approval on a timely basis based on performance of the clinical candidate versus its clinical study competitor, develop and manufacture products in a cost-effective and timely manner, maintain advantageous positions with respect to intellectual property and differentiate our products from our competitors. To compete successfully in the marketplace, we must make substantial investments in new product development whether internally or externally through licensing or acquisitions. Our failure to introduce new and innovative products in a timely manner would have an adverse effect on our business, results of operations, financial condition and cash flows.

Even if we are able to develop, manufacture and obtain regulatory approvals for our new products, the success of these products would depend upon market acceptance and adequate reimbursement. Levels of market acceptance for our new products could be affected by a number of factors, including:

- the availability of alternative products from our competitors;
- the price of our products relative to those of our competitors including, for example, in the case of flurpiridaz F 18, the significantly higher projected unit dose cost of flurpiridaz F 18 in comparison to sestamibi;
- the timing of our market entry;
- our ability to market and distribute our products effectively, including, in the case of flurpiridaz F 18, the creation of a complex field-based manufacturing and distribution network involving PET cyclotrons located at radiopharmacies where the agent will be manufactured and distributed rapidly to end-users, given the agent's 110-minute half-life;
- market acceptance of our products, including, in the case of flurpiridaz F 18, sufficient market penetration of PET cameras to which nuclear cardiologists have reasonable access; and
- our ability to obtain adequate reimbursement, including, in the case of flurpiridaz F 18, obtaining not only coverage from Medicare, Medicaid, other government payors as well as private payors but also appropriate payment levels which adequately cover the substantially higher manufacturing and distribution costs associated with a PET MPI agent, in comparison to, for example, sestamibi.

The field of diagnostic medical imaging is dynamic, with new products, including equipment and agents, continually being developed and existing products continually being refined. Our own diagnostic imaging agents compete not only with other similarly administered imaging agents but also with imaging agents employed in different and often competing diagnostic modalities. New imaging agents in a given diagnostic modality may be developed that provide benefits superior to the then-dominant agent in that modality, resulting in commercial displacement. Similarly, changing perceptions about comparative efficacy and safety including, among other things, comparative radiation exposure, as well as changing availability of supply may favor one agent over another or one modality over another. For example, prior to the outage of the NRU reactor from 2009 to 2010, we experienced a slow annual decline in demand for Thallium as an MPI agent, in favor of Cardiolite which has superior safety and efficacy characteristics. To the extent there is technological obsolescence in any of our products that we manufacture, resulting in lower unit sales or decreased unit sales prices, we will have increased unit overhead allocable to the remaining share, which could have a material adverse effect on our business, results of operations, financial condition and cash flows.

In addition, in the case of a comparatively new product such as Ablavar, because the market acceptance of Ablavar has been much slower than we initially anticipated and because of the magnitude of the required purchase minimums originally contained in the agreement with Mallinckrodt, we have entered into two separate amendments to the agreement in August 2010 and October 2011 to reduce the minimum purchase requirements. Significant cash outflows will still be required during the

term of this purchase commitment and for costs incurred in connection with the product launch, with limited cash inflows from Ablavar until market penetration increases further. In the fourth quarter of 2010, we recorded an inventory write-down of approximately $10.9 million for Ablavar finished good product that had already been manufactured by Mallinckrodt that would likely expire prior to its sale to and use by customers. In the second quarter of 2011, we recorded an impairment charge of $23.5 million, the full remaining value of the product's intellectual property. In addition, in the second and fourth quarters of 2011, we recorded a further inventory write-down of approximately $13.5 million and $12.3 million, respectively, and a loss of $1.9 million and $3.7 million, respectively, for the portion of committed purchases of Ablavar that we did not believe we would be able to sell prior to product expiry. Finally, in the third quarter of 2012, we recorded an additional inventory write-down of approximately $10.6 million and a loss of $1.9 million for the portion of committed purchases of Ablavar that we do not believe we will be able to sell prior to product expiry.

At December 31, 2012, we had a net Ablavar inventory balance of $2.8 million and the remaining purchase commitment under the agreement with Mallinckrodt was approximately $9.4 million, of which $7.5 million is recorded as an accrued contract loss. In 2013, we have transitioned the sales and marketing efforts for Ablavar from our direct sales force to our customer service team in order to allow our direct sales force to drive our DEFINITY resurgence plan following our recent supply challenges. If we do not meet our current sales goals or cannot sell the product we have committed to purchase prior to its expiration, we could incur additional inventory losses and/or losses on our purchase commitments.

Our current portfolio of products primarily focuses on heart disease and vascular disease. This particular focus, however, may not be in our long-term best interest if the incidence and prevalence of heart disease and vascular disease decrease over time. Despite the aging population in the affluent parts of the world where diagnostic medical imaging is most frequently used, government and private efforts to promote preventative cardiac care through exercise, diet and improved medications could decrease the overall demand for our products, which could have a material adverse effect on our business, results of operations, financial condition and cash flows.

The process of developing new drugs is complex, time-consuming and costly, and the outcome is not certain.

We currently have three pipeline candidates, two of which (flurpiridaz F 18 and our cardiac neuronal imaging agent) are currently in clinical development, while a third pipeline candidate (our vascular remodeling agent) is in pre-clinical development. To obtain regulatory approval for these product candidates, we must conduct extensive human tests, which are referred to as clinical trials, as well as meet other rigorous regulatory requirements. Satisfaction of all regulatory requirements typically takes many years and requires the expenditure of substantial resources. A number of other factors may cause significant delays in the completion of our clinical trials, including unexpected delays in the initiation of clinical sites, slower than projected enrollment, competition with ongoing clinical trials and scheduling conflicts with participating clinicians, regulatory requirements, limits on manufacturing capacity and failure of a product candidate to meet required standards for administration to humans. In addition, it may take longer than we project to achieve study endpoints and complete data analysis for a trial or we may decide to slow down the enrollment in a trial in order to conserve financial resources. In March 2013, we began to implement a strategic shift in how we will fund our important R&D programs. We will reduce over time our internal R&D resources while at the same time we seek to engage strategic partners to assist us in the further development and commercialization of our important development candidates, including flurpiridaz F 18, 18F LMI 1195 and LMI 1174. Depending upon the terms of any such strategic partnership that we can negotiate with prospective strategic partners, the development of our pipeline candidates could also be delayed by the timing of the consummation of such transactions as well as factors specific to the partner or partners involved, and we can give no assurances that any such transaction will ever be consummated.

Our product candidates are also prone to the risks of failure inherent in drug development and testing. The results of preliminary studies do not necessarily predict clinical success, and larger and later-stage clinical trials may not produce the same results as earlier-stage trials. Sometimes, product candidates that have shown promising results in early clinical trials have subsequently suffered significant setbacks in later clinical trials. Product candidates in later-stage clinical trials may fail to show desired safety and efficacy traits, despite having progressed through initial clinical testing. Further, the data collected from clinical trials of our product candidates may not be sufficient to support regulatory approval, or regulators could interpret the data differently and less favorably than we do. Further, the design of a clinical trial can determine whether its results will support approval of a product, and flaws in the design of a clinical trial may not become apparent until the clinical trial is well advanced. Clinical trials of potential products often reveal that it is not practical or feasible to continue development efforts. Regulatory authorities may require us or our partners to conduct additional clinical testing, in which case we would have to expend additional time and resources. The approval process may also be delayed by changes in government regulation, future legislation or administrative action or changes in regulatory policy that occur prior to or during regulatory review. The failure to provide clinical and preclinical data that are adequate to demonstrate to the satisfaction of the regulatory authorities that our product candidates are safe and effective for their proposed use will delay or preclude approval and will prevent us from marketing those products.

Even if our product candidates proceed successfully through clinical trials and receive regulatory approval, there is no guarantee that an approved product can be manufactured in commercial quantities at reasonable cost or that such a product will be successfully marketed. For example, flurpiridaz F 18 will require the creation of a complex, field-based manufacturing and distribution network involving PET cyclotrons located at radiopharmacies where the agent will be manufactured and distributed rapidly to end-users, given the agent's 110-minute half-life. Our development costs will increase if we are required to complete additional or larger clinical trials with respect to product candidates. If the delays or costs are significant, our financial results and our ability to commercialize our product candidates will be adversely affected. In addition, in the case of flurpiridaz F 18, obtaining adequate reimbursement is critical, including not only coverage from Medicare, Medicaid, other government payors as well as private payors but also appropriate payment levels which adequately cover the substantially higher manufacturing and distribution costs associated with a PET MPI agent in comparison to, for example, sestamibi.

Because in the future we intend to partner with strategic partners for the development, manufacturing and commercialization of our development candidates, if we can successfully obtain regulatory and reimbursement approval for such candidate or candidates, we will likely have to share a meaningful portion of the economic benefit that those products generate with our partner or partners. However, we can give no assurance that any such partnering transaction will ever be consummated.

A heightened public or regulatory focus on the radiation risks of diagnostic imaging could have an adverse effect on our business.

We believe that there has been heightened public and regulatory focus on radiation exposure, including the concern that repeated doses of radiation used in diagnostic imaging procedures pose the potential risk of long-term cell damage, cancer and other diseases. For example, starting in January 2012, CMS requires the accreditation of facilities providing the technical component of advanced imaging services, including CT, MRI, PET and nuclear medicine, in non-hospital free-standing settings. In August 2011, the Joint Commission (an independent, not-for-profit organization that accredits and certifies more than 19,000 health care organizations and programs in the United States) issued an alert on the radiation risks of diagnostic imaging and recommended specific actions of providing "the right test and the right dose through effective processes, safe technology and a culture of safety."

Heightened regulatory focus on risks caused by the radiation exposure received by diagnostic imaging patients could lead to increased regulation of radiopharmaceutical manufacturers or health care providers who perform procedures that use our imaging agents, which could make the procedures more costly, reduce the number of providers who perform procedures and/or decrease the demand for our products. In addition, heightened public focus on or fear of radiation exposure could lead to decreased demand for our products by patients or by health care providers who order the procedures in which our agents are used. Although we believe that our diagnostic imaging agents when properly used do not expose patients and health care providers to unsafe levels of radiation, any of the foregoing risks could have an adverse effect on our business, results of operations, financial condition and cash flows.

In the ordinary course of business, we may be subject to product liability claims and lawsuits, including potential class actions, alleging that our products have resulted or could result in an unsafe condition or injury.

Any product liability claim brought against us, with or without merit, could be costly to defend and could result in an increase of our insurance premiums. Although we have not had any such claims to date, claims that could be brought against us might not be covered by our insurance policies. Furthermore, even where the claim is covered by our insurance, our insurance coverage might be inadequate and we would have to pay the amount of any settlement or judgment that is in excess of our policy limits, which we believe are consistent with other pharmaceutical companies in the diagnostic medical imaging industry. We may not be able to obtain insurance on terms acceptable to us or at all, since insurance varies in cost and can be difficult to obtain. Our failure to maintain adequate insurance coverage or successfully defend against product liability claims could have a material adverse effect on our business, results of operations, financial condition and cash flows.

We use hazardous materials in our business and must comply with environmental laws and regulations, which can be expensive.

Our operations use hazardous materials and produce hazardous wastes, including radioactive, chemical and, in certain circumstances, biological materials and wastes. We are subject to a variety of federal, state and local laws and regulations as well as non-U.S. laws and regulations relating to the transport, use, handling, storage, exposure to and disposal of these materials and wastes. Environmental laws and regulations are complex, change frequently and have become more stringent over time. We are required to obtain, maintain and renew various environmental permits and nuclear licenses. Although we believe that our safety procedures for transporting, using, handling, storing and disposing of, and limiting exposure to, these materials and wastes comply in all material respects with the standards prescribed by applicable laws and regulations, the risk of accidental contamination or injury cannot be eliminated. We place a high priority in these safety procedures and seek to limit any inherent risks. We generally contract with third parties for the disposal of wastes generated by our operations. Prior to disposal, we store any low level radioactive waste at our facilities until the materials are no longer considered radioactive. Although we believe we have complied in all material respects with all applicable environmental, health and safety laws and regulations, we cannot assure you that we have been or will be in compliance with all such laws at all times. If we violate these laws, we could be fined, criminally charged or otherwise sanctioned by regulators. We may be required to incur further costs to comply with current or future environmental and safety laws and regulations. In addition, in the event of accidental contamination or injury from these materials, we could be held liable for any damages that result and any such liability could exceed our resources.

While we have budgeted for current and future capital and operating expenditures to maintain compliance with these laws and regulations, we cannot assure you that our costs of complying with current or future environmental, health and safety laws and regulations will not exceed our estimates or

adversely affect our results of operations and financial condition. Further, we cannot assure you that we will not be subject to additional environmental claims for personal injury, investigation or cleanup in the future based on our past, present or future business activities.

If we are unable to protect our intellectual property, our competitors could develop and market products with features similar to our products, and demand for our products may decline.

Our commercial success will depend in part on obtaining and maintaining patent protection and trade secret protection of our technologies and product candidates as well as successfully defending these patents and trade secrets against third-party challenges. We will only be able to protect our intellectual property from unauthorized use by third parties to the extent that valid and enforceable patents or trade secrets cover them.

The patent positions of pharmaceutical and biotechnology companies can be highly uncertain and involve complex legal and factual questions for which important legal principles remain unresolved. In addition, changes in either the patent laws or in interpretations of patent laws in the United States or other countries may diminish the value of our intellectual property. Accordingly, we cannot predict the breadth of claims that may be allowed or enforced in our patents or in third-party patents.

The degree of future protection for our proprietary rights is uncertain because legal means afford only limited protection and may not adequately protect our rights or permit us to gain or keep our competitive advantage. For example:

- we might not have been the first to make the inventions covered by each of our pending patent applications and issued patents, and we could lose our patent rights as a result;
- we might not have been the first to file patent applications for these inventions or our patent applications may not have been timely filed, and we could lose our patent rights as a result;
- others may independently develop similar or alternative technologies or duplicate any of our technologies;
- it is possible that none of our pending patent applications will result in any further issued patents;
- our issued patents may not provide a basis for commercially viable drugs, may not provide us with any protection from unauthorized use of our intellectual property by third parties, and may not provide us with any competitive advantages;
- our patent applications or patents may be subject to interferences, oppositions, post-grant review, reexaminations or similar administrative proceedings;
- we may not develop additional proprietary technologies that are patentable; or
- the patents of others may have an adverse effect on our business.

Moreover, the issuance of a patent is not conclusive as to its validity or enforceability. A third party may challenge the validity or enforceability of a patent even after its issuance by the U.S. Patent and Trademark Office. It is also uncertain how much protection, if any, will be afforded by our patents if we attempt to enforce them and they are challenged in court or in other proceedings, which may be brought in U.S. or non-U.S. jurisdictions to challenge the validity of a patent.

The defense and prosecution of intellectual property suits, interferences, oppositions and related legal and administrative proceedings are costly, time consuming to pursue and result in diversion of resources. The outcome of these proceedings is uncertain and could significantly harm our business. If we are not able to defend the patents of our technologies and products, then we will not be able to

exclude competitors from marketing products that directly compete with our products, which could have a material adverse effect on our business, results of operations, financial condition and cash flows.

We will also rely on trade secrets to protect our technology, especially where we do not believe patent protection is appropriate or obtainable. However, trade secrets are difficult to protect. We use reasonable efforts to protect our trade secrets, but our employees, consultants, contractors, outside scientific partners and other advisors may unintentionally or willfully disclose our confidential information to competitors or other third parties. Enforcing a claim that a third party improperly obtained and is using our trade secrets is expensive and time consuming, and the outcome is unpredictable. In addition, courts outside the United States are sometimes less willing to protect trade secrets. Moreover, our competitors may independently develop equivalent knowledge, methods and know-how. We often rely on confidentiality agreements with our collaborators, employees, consultants and other third parties and invention assignment agreements with our employees to protect our trade secrets and other know-how and proprietary information concerning our business. These confidentiality agreements may not prevent unauthorized disclosure of trade secrets and other proprietary information, and there can be no guarantee that an employee or an outside party will not make an unauthorized disclosure of our trade secrets, other technical know-how or proprietary information. We may not have adequate remedies for any unauthorized disclosure. This might happen intentionally or inadvertently. It is possible that a competitor will make use of such information, and that our competitive position will be compromised, in spite of any legal action we might take against persons making such unauthorized disclosures, which could have a material adverse effect on our business, results of operations, financial condition and cash flows.

We rely on our trademarks, trade names, and brand names to distinguish our products from the products of our competitors, and have registered or applied to register many of these trademarks, including DEFINITY, Cardiolite, TechneLite, Ablavar, Neurolite and Lantheus Medical Imaging. We cannot assure you that any pending trademark applications will be approved. Third parties may also oppose our trademark applications, or otherwise challenge our use of the trademarks. If our trademarks are successfully challenged, we could be forced to rebrand our products, which could result in loss of brand recognition, and could require us to devote resources to advertising and marketing new brands. Further, we cannot assure you that competitors will not infringe our trademarks, or that we will have adequate resources to enforce our trademarks.

We may be subject to claims that we have infringed, misappropriated or otherwise violated the patent or other intellectual property rights of a third party. The outcome of any such claims is uncertain and any unfavorable result could adversely affect our business, financial condition and results of operations.

We may be subject to claims by third parties that we have infringed, misappropriated or otherwise violated their intellectual property rights. While we believe that the products that we currently manufacture using our proprietary technology do not infringe upon or otherwise violate proprietary rights of other parties or that meritorious defenses would exist with respect to any assertions to the contrary, we cannot assure you that we would not be found to infringe on or otherwise violate the proprietary rights of others.

We may be subject to litigation over infringement claims regarding the products we manufacture or distribute. This type of litigation can be costly and time consuming and could generate significant expenses, damage payments (potentially including treble damages) or restrictions or prohibitions on our use of our technology, which could adversely affect our results of operations. In addition, if we are found to be infringing on proprietary rights of others, we may be required to develop non-infringing technology, obtain a license (which may not be available on reasonable terms, or at all), make substantial one-time or ongoing royalty payments, or cease making, using and/or selling the infringing products, any of which could have a material adverse effect on our business, results of operations, financial condition and cash flows.

We may be adversely affected by the current economic environment.

Our ability to attract and retain customers, invest in and grow our business and meet our financial obligations depends on our operating and financial performance, which, in turn, is subject to numerous factors, including the prevailing economic conditions and financial, business and other factors beyond our control, such as the rate of unemployment, the number of uninsured persons in the United States and inflationary pressures. We cannot anticipate all the ways in which the current economic climate and financial market conditions could adversely impact our business.

We are exposed to risks associated with reduced profitability and the potential financial instability of our customers, many of which may be adversely affected by volatile conditions in the financial markets. For example, unemployment and underemployment, and the resultant loss of insurance, may decrease the demand for healthcare services and pharmaceuticals. If fewer patients are seeking medical care because they do not have insurance coverage, our customers may experience reductions in revenues, profitability and/or cash flow that could lead them to modify, delay or cancel orders for our products. If customers are not successful in generating sufficient revenue or are precluded from securing financing, they may not be able to pay, or may delay payment of, accounts receivable that are owed to us. This, in turn, could adversely affect our financial condition and liquidity. In addition, if economic challenges in the United States result in widespread and prolonged unemployment, either regionally or on a national basis, prior to the effectiveness of certain provisions of the Healthcare Reform Act, a substantial number of people may become uninsured or underinsured. In turn, this may lead to fewer individuals pursuing or being able to afford diagnostic medical imaging procedures. To the extent economic challenges result in fewer procedures being performed, our business, results of operations, financial condition and cash flows could be adversely affected.

Our business is subject to international economic, political and other risks that could negatively affect our results of operations or financial position.

For the years ended December 31, 2012, 2011 and 2010, 27%, 25% and 25%, respectively, of our total revenues were derived fromcountries outside the United States. We anticipate that revenue from non-U.S. operations will grow. Accordingly, our business is subject to risks associated with doing business internationally, including:

- less stable political and economic environments and changes in a specific country's or region's political or economic conditions;
- international customers which are agencies or institutions of foreign governments,
- currency fluctuations;
- potential negative consequences from changes in tax laws affecting our ability to repatriate profits;
- unfavorable labor regulations;
- greater difficulties in relying on non-U.S. courts to enforce either local or U.S. laws, particularly with respect to intellectual property;
- greater difficulties in managing and staffing non-U.S. operations;
- the need to ensure compliance with the numerous regulatory and legal requirements applicable to our business in each of these jurisdictions and to maintain an effective compliance program to ensure compliance with these requirements;
- changes in public attitudes about the perceived safety of nuclear facilities;
- changes in trade policies, regulatory requirements and other barriers;
- civil unrest or other catastrophic events; and
- longer payment cycles of non-U.S. customers and difficulty collecting receivables in non-U.S. jurisdictions.

These factors are beyond our control. The realization of any of these or other risks associated with operating in non-U.S. countries could have a material adverse effect on our business, results of operations or financial condition.

We face currency and other risks associated with international sales.

We generate significant revenue from export sales, as well as from operations conducted outside the United States. During the years ended December 31, 2012, 2011 and 2010, the net impact of foreign currency changes on transactions was a loss of $579,000, $156,000 and $209,000, respectively. Operations outside the United States expose us to risks including fluctuations in currency values, trade restrictions, tariff and trade regulations, U.S. export controls, non-U.S. tax laws, shipping delays, and economic and political instability. For example, violations of U.S. export controls, including those administered by the U.S. Treasury Department's Office of Foreign Assets Control, could result in fines, other civil or criminal penalties and the suspension or loss of export privileges which could have a material adverse affect on our business, results of operations, financial conditions and cash flows.

The functional currency of each of our non-U.S. operations is generally the local currency, although one non-U.S. operation's functional currency is the U.S. Dollar. Exchange rates between some of these currencies and U.S. Dollar have fluctuated significantly in recent years and may do so in the future. Historically, we have not used derivative financial instruments or other financial instruments to hedge such economic exposures. It is possible that fluctuations in exchange rates will have a negative effect on our results of operations.

U.S. credit markets may impact our ability to obtain financing or increase the cost of future financing, including, in the event we obtain financing with a variable interest rate, interest rate fluctuations based on macroeconomic conditions that are beyond our control.

As of December 31, 2012, we had approximately $400.0 million of total principal indebtedness consisting entirely of the Notes issued May 10, 2010 and March 16, 2011 and due May 15, 2017. We also have a revolving line of credit, the Facility, which provides for total borrowings up to $35 million. We currently have no amounts outstanding, other than an $8.8 million unfunded Standby Letter of Credit at December 31, 2012. During periods of volatility and disruption in the U.S., European, or global credit markets, obtaining additional or replacement financing may be more difficult and the cost of issuing new debt or replacing our Facility could be higher than under our current Facility. Higher cost of new debt may limit our ability to have cash on hand for working capital, capital expenditures and acquisitions on terms that are acceptable to us. Additionally, the Facility has a variable interest rate. By its nature, a variable interest rate will move up or down based on changes in the economy and other factors, all of which are beyond our control. If interest rates increase, our interest expense could increase, affecting earnings and reducing cash flows available for working capital, capital expenditures and acquisitions.

Many of our customer relationships outside of the United States are, either directly or indirectly, with governmental entities, and we could be adversely affected by violations of the U.S. Foreign Corrupt Practices Act and similar worldwide anti-bribery laws outside the United States.

The FCPA, the United Kingdom Bribery Act of 2010 and similar worldwide anti-bribery laws in non-U.S. jurisdictions generally prohibit companies and their intermediaries from making improper payments to non-U.S. officials for the purpose of obtaining or retaining business.

The FCPA prohibits us from providing anything of value to foreign officials for the purposes of obtaining or retaining business or securing any improper business advantage. It also requires us to keep books and records that accurately and fairly reflect our transactions. Because of the predominance of government-sponsored healthcare systems around the world, many of our customer relationships

outside of the United States are, either directly or indirectly, with governmental entities and are therefore subject to the FCPA and similar anti-bribery laws in non-U.S. jurisdictions. In addition, the United Kingdom Bribery Act of 2010 has been enacted, and its provisions extend beyond bribery of foreign public officials and are more onerous than the FCPA in a number of other respects, including jurisdiction, non-exemption of facilitation payments and penalties.

Our policies mandate compliance with these anti-bribery laws. We operate in many parts of the world that have experienced governmental corruption to some degree, and in certain circumstances strict compliance with anti-bribery laws may conflict with local customs and practices. Despite our training and compliance programs, our internal control policies and procedures may not always protect us from reckless or criminal acts committed by our employees or agents. Violations of these laws, or allegations of such violations, could disrupt our business and result in a material adverse effect on our results of operations, financial condition and cash flows.

Our business depends on the continued effectiveness and availability of our information technology infrastructure, and failures of this infrastructure could harm our operations.

To remain competitive in our industry, we must employ information technologies to support manufacturing processes, quality processes, distribution, R&D and regulatory applications and that capture, manage and analyze the large streams of data generated in our clinical trials in compliance with applicable regulatory requirements. We rely extensively on technology to allow the concurrent conduct of work sharing around the world. As with all information technology, our infrastructure ages and becomes subject to increasing maintenance and repair and our systems generally are vulnerable to potential damage or interruptions from fires, blackouts, telecommunications failures and other unexpected events, as well as to break-ins, sabotage or intentional acts of vandalism. Given the extensive reliance of our business on technology, any substantial disruption or resulting loss of data that is not avoided or corrected by our backup measures could harm our business, operations and financial condition.

We may not be able to hire or retain the number of qualified personnel, particularly scientific, medical and sales personnel, required for our business, which would harm the development and sales of our products and limit our ability to grow.

Competition in our industry for highly skilled scientific, healthcare and sales personnel is intense. If we are unable to retain our existing personnel, or attract and train additional qualified personnel, either because of competition in our industry for such personnel or because of insufficient financial resources, our growth may be limited and it could have a material adverse effect on our business.

If we lose the services of our key personnel, our business could be adversely affected.

Our success is substantially dependent upon the performance, contributions and expertise of our chief executive officer, executive leadership and senior management team. Jeffrey Bailey, our Chief Executive Officer and President, and other members of our executive leadership and senior management team play a significant role in generating new business and retaining existing customers. We have employment agreements with Mr. Bailey and a limited number of other individuals on our executive leadership team, although we cannot prevent them from terminating their employment with us. We do not maintain key man life insurance policies on any of our executive officers. Our inability to retain our existing executive leadership and senior management team, maintain an appropriate internal succession program or attract and retain additional qualified personnel could have a material adverse effect on our business.

We have a substantial amount of indebtedness which may limit our financial and operating activities and may adversely affect our ability to incur additional debt to fund future needs.

As of December 31, 2012, we had approximately $400.0 million of total principal indebtedness consisting entirely of the Notes, which mature on May 15, 2017. As of December 31, 2012, there were no amounts outstanding under the Facility, other than an $8.8 million unfunded Standby Letter of Credit. Our substantial indebtedness and any future indebtedness we incur could:

- require us to dedicate a substantial portion of cash flow from operations to the payment of interest on and principal of our indebtedness, thereby reducing the funds available for other purposes;
- make it more difficult for us to satisfy and comply with our obligations with respect to the Notes, namely the payment of interest and principal;
- subject us to increased sensitivity to interest rate increases;
- make us more vulnerable to economic downturns, adverse industry or company conditions or catastrophic external events;
- limit our ability to withstand competitive pressures;
- reduce our flexibility in planning for or responding to changing business, industry and economic conditions; and/or
- place us at a competitive disadvantage to competitors that have relatively less debt than we have.

In addition, our substantial level of indebtedness could limit our ability to obtain additional financing on acceptable terms, or at all, for working capital, capital expenditures and general corporate purposes. Our liquidity needs could vary significantly and may be affected by general economic conditions, industry trends, performance and many other factors not within our control.

We may not be able to generate sufficient cash flow to meet our debt service obligations.

Our ability to generate sufficient cash flow from operations to make scheduled payments on our debt obligations, which are currently $39.0 million of interest per year based on our $400.0 million in total principal indebtedness as of December 31, 2012 related to the Notes, which principal is due at maturity on May 15, 2017, will depend on our future financial performance, which will be affected by a range of economic, competitive and business factors, many of which are outside of our control. If we do not generate sufficient cash flow from operations to satisfy our debt obligations, including interest payments and the payment of principal at maturity, we may have to undertake alternative financing plans, such as refinancing or restructuring our debt, selling assets, entering into additional corporate collaborations or licensing arrangements for one or more of our products or product candidates, reducing or delaying capital investments or seeking to raise additional capital. We cannot assure you that any refinancing would be possible, that any assets could be sold, licensed or partnered, or, if sold, licensed or partnered, of the timing of the transactions and the amount of proceeds realized from those transactions, that additional financing could be obtained on acceptable terms, if at all, or that additional financing would be permitted under the terms of our various debt instruments then in effect. Furthermore, our ability to refinance would depend upon the condition of the financial and credit markets. Our inability to generate sufficient cash flow to satisfy our debt obligations, or to refinance our obligations on commercially reasonable terms or on a timely basis, would have an adverse effect on our business, results of operations and financial condition.

Despite our substantial indebtedness, we may incur more debt, which could exacerbate the risks described above.

We and our subsidiaries may be able to incur substantial additional indebtedness in the future subject to the limitations contained in the agreements governing our debt, including the Indenture (as defined below) governing the Notes. Although these agreements restrict us and our restricted subsidiaries from incurring additional indebtedness, these restrictions are subject to important exceptions and qualifications. For example, we are generally permitted to incur certain indebtedness, including indebtedness to finance acquisitions of similar businesses, indebtedness arising in the ordinary course of business, indebtedness among restricted subsidiaries and us and indebtedness relating to hedging obligations. We are also permitted to incur indebtedness under the Indenture governing the Notes so long as we comply with an interest coverage ratio of 1.2 to 1.0, determined on a pro forma basis for the most recently completed four fiscal quarters. See "Item 7—Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—External Sources of Liquidity." If we or our subsidiaries incur additional debt, the risks that we and they now face as a result of our high leverage could intensify. In addition, the Indenture governing the Notes and the agreement governing the Facility will not prevent us from incurring obligations that do not constitute indebtedness under the agreements.

Our debt agreements contain restrictions that will limit our flexibility in operating our business.

The Indenture governing the Notes and the agreement governing the Facility contain various covenants that limit our ability to engage in specified types of transactions. These covenants limit our and our restricted subsidiaries' ability to, among other things:

- incur additional debt;
- pay dividends or make other distributions;
- redeem stock;
- issue stock of subsidiaries;
- make certain investments;
- create liens;
- enter into transactions with affiliates; and
- merge, consolidate or transfer all or substantially all of our assets.

Additionally, the agreement governing the Facility requires us to maintain certain financial ratios.

If there is a breach of the financial ratios when there is more than $10 million outstanding under the Facility, a cross-default of the Indenture would occur. A breach of any of these covenants could result in a default under the Indenture governing the Notes and the agreement governing the Facility. On January 26, 2012, October 11, 2012 and March 25, 2013, we executed amendments to the Facility which revised the financial covenants, certain definitions used to calculate compliance with those covenants and the definition of annualized EBITDA from a trailing twelve month basis to an annualized basis beginning in the first quarter of 2013. Although we believe that anticipated EBITDA amounts will be sufficient such that we will be in compliance with the financial covenants, as amended, if our upcoming quarterly earnings are not sufficient, we could be in violation of the leverage ratio covenant. We may also be unable to take advantage of business opportunities that arise because of the limitations imposed on us by the restrictive covenants under our indebtedness.

Item 1B. Unresolved Staff Comments

None.

Item 2. Properties

Our executive offices and primary manufacturing facilities are located at our North Billerica, Massachusetts facility, which we own. In addition, as of December 31, 2012, we lease 7 facilities in Canada, 2 in Australia and 2 in Puerto Rico. Our owned facilities consist of approximately 578,000 square feet of manufacturing, laboratory, mixed use and office space, and our leased facilities consist of approximately 67,766 square feet. We believe all of these facilities are well-maintained and suitable for the office, radiopharmacy, manufacturing or warehouse operations conducted in them.

The following table summarizes information regarding our significant leased and owned properties, as of December 31, 2012:

Location	Square footage	Owned/Leased
United States		
North Billerica, Massachusetts	578,000	Owned
Canada		
Montreal	8,729	Leased
Mississauga	13,747	Leased
Dorval	13,079	Leased
Quebec	6,261	Leased
Hamilton	5,300	Leased
Vancouver	880	Leased
Australia		
Melbourne	4,634	Leased
Adelaide	4,306	Leased
Puerto Rico		
San Juan	9,550	Leased
Ponce	1,280	Leased

Item 3. Legal Proceedings

From time to time, we are a party to various legal proceedings arising in the ordinary course of business. In addition, we have in the past been, and may in the future be, subject to investigations by regulatory authorities which expose it to greater risks associated with litigation, regulatory or other proceedings, as a result of which we could be required to pay significant fines or penalties. The outcome of litigation, regulatory or other proceedings cannot be predicted with certainty, and some lawsuits, claims, actions or proceedings may be disposed of unfavorably to us. In addition, intellectual property disputes often have a risk of injunctive relief which, if imposed against us, could materially and adversely affect its financial condition or results of operations.

On December 16, 2010, we filed suit against one of our insurance carriers seeking to recover business interruption losses associated with the NRU reactor shutdown and the ensuing global Moly supply shortage (*Lantheus Medical Imaging, Inc., Plaintiff v. Zurich American Insurance Company, Defendant,* United States District Court, Southern District of New York, Case No. 10 Civ 9371). The claim is the result of the shutdown of the NRU reactor in Chalk River, Ontario. The NRU reactor was off-line from May 2009 until August 2010 due to a "heavy water" leak in the reactor vessel. The defendant answered the complaint on January 21, 2011, denying substantially all of the allegations, presenting certain defenses and requesting dismissal of the case with costs and disbursements. On April 4, 2011, the parties had their first pre-trial conference in United States District Court for the

Southern District of New York, and discovery has commenced and is continuing. We cannot be certain what amount, if any, or when, if ever, we will be able to recover for business interruption losses related to this matter.

Item 4. Mine Safety Disclosures

Not applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Market and Dividend Information

Our outstanding common stock is privately held and there is no established public trading market for our common stock. There is one stockholder of record of our common stock as of December 31, 2012. On March 21, 2011 and on May 10, 2010, our Board of Directors declared dividends of $150.0 million and $163.8 million, respectively, to our sole stockholder, Intermediate, which declared dividends of equal amounts to Holdings. See "Item 7—Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—External Sources of Liquidity." We do not expect to make comparable cash dividends in the future on a continuous basis, but may, from time to time, declare additional dividends to our sole stockholder in an amount to be determined. See "Item 13—Certain Relationships and Related Transactions, and Director Independence" and Note 17, "Related Party Transactions" to our consolidated financial statements for a discussion regarding transactions and agreements we have with Avista and "Item 7—Management's Discussion and Analysis of Financial Condition and Results of Operations" and Note 10 "Financing Arrangements" to our consolidated financial statements for a discussion of restrictive covenants under the agreements governing our indebtedness.

Unregistered Sales of Equity Securities

We sold no equity securities during the year ended December 31, 2012.

Securities Authorized for Issuance Under Equity Compensations Plans

See "Item 12—Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters—Securities Authorized for Issuance Under Equity Compensation Plans."

Item 6. Selected Financial Data

Basis of Financial Information

Following our purchase of the medical imaging business from Bristol-Myers Squibb Company, or BMS, with the financial sponsorship of Avista on January 8, 2008 (the "Acquisition"), our audited financial statements were prepared at the Lantheus Intermediate level rather than at the Lantheus level due to covenants in our financial arrangements undertaken in connection with the Acquisition.

Non-GAAP Financial Measures

EBITDA and Adjusted EBITDA and the ratios related thereto, or our EBITDA Measures, as defined below and presented in this annual report, are supplemental measures of our performance that are not required by, or presented in accordance with, generally accepted accounting principles in the United States, or GAAP. They are not measurements of our financial performance under GAAP and should not be considered as alternatives to net income (loss) or any other performance measures derived in accordance with GAAP or as alternatives to cash flow from operating activities as measures of our liquidity.

Our EBITDA Measures may not be comparable to similarly titled measures of other companies and are not measures of performance calculated in accordance with GAAP. We have included information concerning our EBITDA Measures in this annual report because we believe that such information is used by certain investors as one measure of a company's historical performance. Furthermore, certain financial ratios included in our debt covenants are based on EBITDA as defined in the debt agreements. See Note 10, "Financing Arrangements."

Our EBITDA Measures have limitations as analytical tools, and you should not consider them in isolation, or as a substitute for analysis of our operating results or cash flows as reported under GAAP. Some of these limitations are:

- they do not reflect our cash expenditures, or future requirements, for capital expenditures or contractual commitments;
- they do not reflect changes in, or cash requirements for, our working capital needs;
- they do not reflect the significant interest expense or the cash requirements necessary to service interest or principal payments, on our debt;
- although depreciation is a non-cash charge, the assets being depreciated will often have to be replaced in the future, and our EBITDA Measures do not reflect any cash requirements for such replacements;
- they are not adjusted for all non-cash income or expense items that are reflected in our statements of cash flows; and
- other companies in our industry may calculate these measures differently than we do, limiting their usefulness as comparative measures.

Because of these limitations, our EBITDA Measures should not be considered as measures of discretionary cash available to us to invest in the growth of our business. We compensate for these limitations by relying primarily on our GAAP results and using our EBITDA Measures only for supplemental purposes. Please see the consolidated financial statements included elsewhere in this annual report for our GAAP results.

Selected Financial Data

The following table sets forth certain selected consolidated financial data for Lantheus Intermediate, our parent company and a guarantor of the Notes, as of and for the fiscal years ended December 31, 2012, 2011, 2010, 2009 and 2008, which have been derived from the audited consolidated financial statements of Lantheus Intermediate. See "—Basis of Financial Information."

For the purpose of convenience, the selected financial data as of and for the year ended December 31, 2008 assumed an effective date of January 1, 2008 for the Acquisition. We determined that the operating results between the effective date and the acquisition date are not material and these results have been included with our 2008 operating results. The 2008 operating results include net revenues of approximately $12.0 million, gross profit of approximately $8.3 million, operating income of approximately $5.4 million and net income of $3.3 million relating to the period from January 1, 2008 through January 7, 2008.

The results indicated below and elsewhere in this annual report are not necessarily indicative of our future performance. You should read this information together with "Item 7—Management's

Discussion and Analysis of Financial Condition and Results of Operations" and the consolidated financial statements and related notes included in Item 8 of this annual report.

	Year Ended December 31,				
	2012	2011	2010	2009	2008
	(dollars in thousands)				
Statement of Comprehensive (Loss) Income Data:					
Total revenues	$ 288,105	$ 356,292	$ 353,956	$ 360,211	$ 536,844
Cost of goods sold	211,049	255,466	204,006	184,844	244,496
Loss on firm purchase commitment	1,859	5,610	—	—	—
General and administrative expenses	32,520	32,057	30,042	35,430	64,909
Sales and marketing expenses	37,437	38,689	45,384	42,337	45,730
Research and development expense	40,604	40,945	45,130	44,631	34,682
Proceeds from manufacturer	(34,614)	—	—	—	—
In-process research and development	—	—	—	—	28,240
Operating (loss) income	(750)	(16,475)	29,394	52,969	118,787
Interest expense	(42,014)	(37,658)	(20,395)	(13,458)	(31,038)
Loss on early extinguishment of debt	—	—	(3,057)	—	—
Interest income	252	333	179	73	693
Other (expense) income, net	(44)	1,429	1,314	2,720	2,950
Income (loss) before income taxes	(42,556)	(52,371)	7,435	42,304	91,392
Provision (benefit) for income taxes	(555)	84,098	2,465	21,952	48,606
Net (loss) income	$ (42,001)	$ (136,469)	$ 4,970	$ 20,352	$ 42,786
Statement of Cash Flows Data:					
Net cash flows provided by (used in):					
Operating activities	$ 523	$ 22,420	$ 26,317	$ 95,783	$ 178,445
Investing activities	(8,145)	(7,694)	(8,550)	(38,351)	(530,832)
Financing activities	(2,039)	(6,991)	(17,550)	(49,102)	376,466
Other Financial Data:					
EBITDA(1)	$ 26,815	$ 16,832	$ 62,037	$ 96,214	$ 192,797
Adjusted EBITDA(1)	59,070	80,084	85,228	104,060	253,882
Capital expenditures	7,920	7,694	8,335	8,856	12,175
Balance Sheet Data (at period end):					
Cash and cash equivalents	$ 31,595	$ 40,607	$ 33,006	$ 31,480	$ 21,036
Total assets	322,926	358,804	495,881	492,543	528,035
Total liabilities	497,279	492,007	342,447	181,964	240,226
Current portion of long-term debt	—	—	—	30,000	15,000
Total long-term debt, net	398,822	398,629	250,000	63,649	127,751
Total stockholder's (deficit) equity	(174,353)	(133,203)	153,434	310,579	287,809

(1) EBITDA is defined as net (loss) income plus interest, income taxes, depreciation and amortization. EBITDA is a measure used by management to measure operating performance. Adjusted EBITDA is defined as EBITDA, further adjusted to exclude unusual items and other adjustments required or permitted in calculating Adjusted EBITDA under the indenture governing the Company's notes and the credit agreement for the Company's revolving credit facility. Adjusted EBITDA is also used by management to measure operating performance and by investors to measure a company's ability to service its debt and meet its other cash needs. Management believes that the inclusion of the adjustments to EBITDA applied in presenting Adjusted EBITDA are appropriate to provide additional information to investors about the Company's performance across reporting periods on

a consistent basis by excluding items that it does not believe are indicative of its core operating performance. See "—Non-GAAP Financial Measures."

The following table provides a reconciliation of our net (loss) income to EBITDA and Adjusted EBITDA for the periods presented:

	Year Ended December 31,				
	2012	2011	2010	2009	2008
	(dollars in thousands)				
Net (loss) income	$ (42,001)	$ (136,469)	$ 4,970	$ 20,352	$ 42,786
Interest expense, net	41,762	37,325	20,216	13,385	30,345
Provision for income taxes(a)	(901)	82,718	1,215	20,392	46,131
Depreciation and amortization	27,955	33,258	35,636	42,085	73,535
EBITDA	26,815	16,832	62,037	96,214	192,797
Non-cash stock-based compensation	1,240	(969)	1,634	1,209	1,368
Loss on early extinguishment of debt	—	—	3,057	—	—
Legal fees(b)	1,455	2,017	—	—	—
Loss on firm purchase commitment(c)	1,859	5,610	—	—	—
Asset write-off(d)	13,095	52,973	14,084	4,125	5,791
Inventory step-up expense(e)	—	—	—	—	8,189
Acquired in-process R&D(f)	—	—	—	—	28,240
Severance and recruiting costs(g)	1,761	1,995	1,001	—	13,775
Transaction expenses(h)	—	—	—	—	2,742
Sponsor fee and other(i)	1,042	1,020	1,090	1,060	980
New manufacturer costs(j)	8,945	606	1,816	910	—
Ablavar launch costs(k)	—	—	509	542	—
Run-rate savings(l)	2,858	—	—	—	—
Adjusted EBITDA	$ 59,070	$ 80,084	$ 85,228	$ 104,060	$ 253,882

(a) Represents provision for income taxes, less tax indemnification associated with an agreement with BMS, and in 2011 includes the establishment of a full valuation allowance against the U.S. deferred tax assets.

(b) Represents legal services incurred in connection with our business interruption claim associated with the NRU reactor shutdown in 2009 to 2010.

(c) Represents a loss associated with a portion of the committed purchases of Ablavar that we do not believe we will be able to sell prior to expiration.

(d) Represents non-cash losses incurred associated with the write-down of inventory and write-off of long-lived assets. The 2012 amount consists primarily of a $10.6 million inventory write-down related to Ablavar. The 2011 amount consists primarily of a $25.8 million inventory write-down related to Ablavar and a $23.5 million impairment charge to adjust the carrying value of the Ablavar patent portfolio asset to its fair value of zero. The 2010 amount consists primarily of a $10.9 million inventory write-down related to Ablavar. The 2009 amount is primarily related to the write-down of accessories related to our TechneLite product as a result of the global Moly shortage and Cardiolite inventory acquired from BMS. The 2008 amount was primarily related to our DEFINITY product as a result of the boxed warning in October 2007.

(e) Represents the revaluation of inventory as a result of the impact of purchase accounting in connection with the Acquisition.

(f) Represents in-process R&D relating to the Acquisition. Immediately following the closing of the Acquisition, the in-process R&D was expensed.

(g) In 2012 and 2011, consists of severance and recruitment costs related to employees, executives and directors. In 2010, consists of severance costs relating to one of our executive officers and a work force reduction in the fourth quarter. In 2008, consists of severance costs relating to the closure of our European operations following the Acquisition.

(h) Represents legal, information technology and human resource advisory services and other advisory fees incurred in connection with the Acquisition.

(i) Represents annual sponsor monitoring fee and related expenses.

(j) Represents internal and external costs associated with establishing new manufacturing sources for our commercial and clinical candidate products.

(k) Represents costs associated with the launch of Ablavar.

(l) Represents run-rate cost savings, operating expense reductions and other expense and cost-saving synergies realized or expected to be taken (calculated on a pro forma basis).

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis of our financial condition and results of operations should be read together with "Item 6—Selected Financial Data" and the consolidated financial statements and the related notes included in Item 8 of this annual report. This discussion contains forward-looking statements, based on current expectations and related to future events and our future financial performance, that involve risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of many factors, including those set forth under "Item 1A—Risk Factors" and "Cautionary Note Regarding Forward-Looking Statements."

Overview

We are a global leader in developing, manufacturing and distributing innovative diagnostic medical imaging agents and products that assist clinicians in the diagnosis of cardiovascular diseases such as coronary artery disease, congestive heart failure and stroke, peripheral vascular disease and other diseases. We were founded in 1956 as New England Nuclear Corporation and purchased by E. I. du Pont de Nemours and Company in 1981. We were subsequently acquired by BMS, as part of its acquisition of DuPont Pharmaceuticals in 2001. On January 8, 2008, Avista purchased the medical imaging business from BMS for an aggregate purchase price of $518.7 million, and the medical imaging business is now known as LMI.

Our current marketed products are used by nuclear physicians, cardiologists, radiologists, internal medicine physicians, technologists and sonographers working in a variety of clinical settings. We sell our products to radiopharmacies, hospitals, clinics, group practices, integrated delivery networks, group purchasing organizations and, in certain circumstances, wholesalers. In addition to our marketed products, we have three candidates in clinical and pre-clinical development.

We market our products globally and have operations in the United States, Puerto Rico, Canada and Australia and distribution relationships in Europe, Asia Pacific and Latin America.

Our Products

Our principal products include the following:

DEFINITY is an ultrasound contrast agent used in ultrasound exams of the heart, also known as echocardiography exams. DEFINITY contains perflutren-containing lipid microspheres and is indicated in the United States for use in patients with suboptimal echocardiograms to assist in imaging the left ventricular chamber and left endocardial border of the heart in ultrasound procedures. We launched DEFINITY in 2001, and its last patent in the United States will currently expire in 2021 and in numerous foreign jurisdictions in 2019.

TechneLite is a technetium-based generator which provides the essential nuclear material used by radiopharmacies to radiolabel Cardiolite and other technetium-based radiopharmaceuticals used in nuclear medicine procedures. TechneLite uses Moly as its main active ingredient.

Cardiolite is a technetium-based radiopharmaceutical imaging agent used in MPI procedures to detect coronary artery disease using SPECT. Cardiolite was approved by the FDA in 1990, and its market exclusivity expired in July 2008.

Xenon is a radiopharmaceutical inhaled gas used to assess pulmonary function and evaluate blood flow, particularly in the brain. Xenon is manufactured by a third party and packaged in-house.

In the United States, our nuclear imaging products, including Cardiolite and TechneLite, are primarily distributed through over 350 radiopharmacies that are controlled by or associated with Cardinal, UPPI, GE Healthcare and Triad. A small portion of our nuclear imaging product sales in the United States are made through our direct sales force to hospitals and clinics that maintain their own in-house radiopharmaceutical capabilities. Sales of our contrast agent, DEFINITY, are made through our direct sales force of approximately 80 representatives. Outside the United States, we own five radiopharmacies in Canada and two radiopharmacies in each of Puerto Rico and Australia. We also maintain a direct sales force in each of these countries. In the rest of the world, we rely on third-party distributors to market, distribute and sell our nuclear imaging and contrast agent products, either on a country-by-country basis or on a multi-country regional basis.

The following table sets forth our revenue derived from our principal products:

	Year Ended December 31,					
(dollars in thousands)	2012	%	2011	%	2010	%
DEFINITY	$ 51,431	17.9	$ 68,503	19.2	$ 59,968	16.9
TechneLite	114,249	39.7	131,241	36.9	122,044	34.5
Cardiolite	34,995	12.1	66,127	18.6	77,422	21.9
Xenon	30,075	10.4	26,761	7.5	19,932	5.6
Other	46,604	16.2	53,130	14.9	66,381	18.8
Net product revenues	$ 277,354	96.3	$ 345,762	97.1	$ 345,747	97.7
License and other revenues	10,751	3.7	10,530	2.9	8,209	2.3
Total revenues	$ 288,105	100.0	$ 356,292	100.0	$ 353,956	100.0

Included in Cardiolite is branded Cardiolite and generic sestamibi, some of which we produce and some of which we procure from third parties.

Key Factors Affecting Our Results

Our business and financial performance have been, and continue to be, affected by the following:

Inventory Supply

We currently rely on BVL as one of our two manufacturers of DEFINITY and Cardiolite products and the sole source manufacturer of Neurolite. In July 2010, BVL implemented a planned shutdown of the facility in which it manufactures products for a number of customers, including us, in order to upgrade the facility to meet certain regulatory requirements. In anticipation of this shutdown, BVL manufactured for us additional inventory of these products to meet our expected needs during the shutdown period which was anticipated to end in March 2011. Because the shutdown and restart activities took substantially longer than anticipated by either BVL or us, we could not meet all of the demand for certain products during the second half of 2011 and the first three quarters of 2012, resulting in overall revenue decline in comparison to the prior periods. BVL resumed manufacturing DEFINITY in the second quarter of 2012 and allowed us to release product at the end of the second quarter of 2012. BVL has also resumed manufacturing Cardiolite products and has allowed us to release those products to the market. We currently believe that Neurolite will again become available from BVL in the latter half of 2013. We can give no assurances that BVL will be able to manufacture and release product for us on a timely and consistent basis in the future or that we will not have short or longer term stock outs in the future.

We have also expedited a number of technology transfer programs to secure and qualify production of our BVL-manufactured products to alternate contract manufacturing sites. In February 2013, the FDA informed us that the JHS facility was approved to manufacture DEFINITY, and we have since commenced shipping JHS-manufactured DEFINITY to customers. We also have on-going technology transfer activities at JHS for our Cardiolite product and Neurolite supply, but we can give no assurances as to when that technology transfer will be completed and we will actually receive supply of Cardiolite products and Neurolite from JHS. In the meantime, we also have an alternate manufacturer for Cardiolite. We are also pursuing new manufacturing relationships to establish and secure additional long-term or alternative suppliers of our key products, but we are uncertain of the timing as to when any other supply arrangement would provide meaningful quantities of product to us. If BVL is not able to continue to manufacture and release adequate product supply on a timely and consistent basis, we are unable to regain and grow sufficient market share, or we are not able to obtain adequate amounts of such products from alternate suppliers (including DEFINITY, Cardiolite and Neurolite), our financial results will be negatively impacted and we will need to implement additional expense reductions such as a delay of discretionary spending including possible reductions in sales and marketing and research and development activities, as well as other operating and strategic initiatives. See "Item 1A—Risk Factors—Our dependence upon third parties for the manufacture and supply of a substantial portion of our products could prevent us from delivering our products to our customers in the required quantities, within the required timeframe, or at all, which could result in order cancellations and decreased revenues."

Growth of DEFINITY

We believe the market opportunity for our contrast agent, DEFINITY, remains significant. As we better educate the physician and healthcare provider community about the benefits and risks of this product, we believe we will experience further penetration of suboptimal echocardiograms. Prior to the supply issues with BVL in 2012, sales of DEFINITY continually increased year over year since June 2008, when we were able to have the boxed warning on DEFINITY modified. Unit sales of DEFINITY had decreased substantially in late 2007 and early 2008 as a result of an FDA request in October 2007 that all manufacturers of ultrasound contrast agents add a boxed warning to their products to notify physicians and patients about potentially serious safety concerns or risks posed by the products.

However, in May 2008, the boxed warning was modified by the FDA in response to the substantial advocacy efforts of prescribing physicians. In October 2011, we received FDA approval of further modifications to the DEFINITY label, including: further relaxing the boxed warning; eliminating the sentence in the Indication and Use section "The safety and efficacy of DEFINITY with exercise stress or pharmacologic stress testing have not been established" (previously added in October 2007 in connection with the imposition of the box warning); and including summary data from the post-approval CaRES (Contrast echocardiography Registry for Safety Surveillance) safety registry and the post-approval pulmonary hypertension study. However, as discussed above under "Inventory Supply", the future growth of our DEFINITY sales will be dependent on the ability of BVL to continue to manufacture and release DEFINITY on a timely and consistent basis for the remainder of 2013, our ability to continue to increase segment penetration for DEFINITY in suboptimal echocardiograms and JHS to transition to becoming our primary supplier of DEFINITY during 2013. See "Item 1A—Risk Factors—The growth of our business is substantially dependent on increased segment penetration for DEFINITY in suboptimal echocardiograms."

Global Moly Supply

Historically, our largest supplier of Moly, our highest volume raw material, has been Nordion (Canada) Inc. ("Nordion"), which has relied on the NRU reactor in Chalk River, Ontario. This reactor was off-line from May 2009 until August 2010 due to a heavy water leak in the reactor vessel. As part of the conditions for the relicensing of the NRU reactor through October 2016, the Canadian government has asked Atomic Energy of Canada Limited, or AECL, to shut down the reactor for at least four weeks at least once a year for inspection and maintenance. The 2013 shutdown period is currently scheduled to run from mid-April 2013 to mid-May 2013. We currently believe that we will be able to source all of our standing-order customer demand for Moly during this time period from our other suppliers. On October 19, 2012 and October 30, 2012, the Company executed amendments to agreements with Nordion and NTP, our largest Moly suppliers, which extended the contract terms of those agreements to December 31, 2015 and December 31, 2017, respectively, and changed the commitments under the agreement from unit volume to percentage volume purchase requirements.

During the 2009 to 2010 period when the NRU reactor was off-line, instability in the global supply of Moly and supply shortages resulted in substantial volatility in the cost of Moly in comparison to historical costs. We were able to pass some of these Moly cost increases on to our customers through our customer contracts. With less Moly, we manufactured fewer TechneLite generators for radiopharmacies and hospitals to make up unit doses of Cardiolite, resulting in decreased sales of TechneLite and Cardiolite in favor of other diagnostic modalities that did not use Moly during the 2009 to 2010 period when the NRU reactor was off-line.

Demand for TechneLite

Since the global Moly supply shortage in 2009 to 2010, we have experienced reduced demand for TechneLite generators from pre-shortage levels even though volume has increased in absolute terms from shortage levels following the return of our normal Moly supply in August 2010. We do not know if overall industry demand for technetium will ever return to pre-shortage levels.

We believe that TechneLite unit volume has not returned to pre-shortage levels for a number of reasons, including: (i) changing staffing and utilization practices in radiopharmacies, which have resulted in increased efficiencies in the preparation of unit doses of technetium-based radiopharmaceuticals; (ii) shifts to alternative diagnostic imaging modalities during the 2009 to 2010 Moly supply shortage, which have not returned to technetium-based procedures; and (iii) decreased amounts of technetium being used in unit-doses of technetium-based radiopharmaceuticals due to increased concerns about patient radiation dose exposure. We also believe that there has been an overall decline in the MPI study market because of decreased levels of patient studies during the Moly

shortage period that have not returned to pre-shortage levels and industry-wide cost-containment initiatives that have resulted in a transition of where imaging procedures are performed from free standing imaging centers to the hospital setting. We expect these factors will continue to affect technetium demand in the future.

On November 1, 2012, the Centers for Medicare and Medicaid Services ("CMS") announced the 2013 final Medicare payment rules for hospital outpatient settings and physician offices. Under the final rules, CMS is now reimbursing an incremental $10 for each technetium dose produced from a generator for a diagnostic procedure in a hospital outpatient setting that is reimbursed by Medicare if such technetium dose is produced from a generator containing Moly sourced from at least 95 percent LEU. We currently understand that CMS expects to continue this incentive program for the foreseeable future. Beginning in January 2013, we now offer a TechneLite generator which contains Moly sourced from at least 95 percent LEU and which satisfies the requirements for reimbursement under this incentive program. It is too early to tell whether this incremental reimbursement for LEU Moly generators will result in a material increase in our generator sales.

Cardiolite Competitive Pressures

Cardiolite's market exclusivity expired in July 2008. In September 2008, the first of several competing generic products to Cardiolite was launched. With continued pricing pressure from generic competitors, we also sell our Cardiolite product in the form of a generic sestamibi at the same time as we continue to sell branded Cardiolite throughout the MPI segment. We believe this strategy of selling branded as well as generic sestamibi has slowed our segment share loss by having multiple sestamibi offerings that are attractive in terms of brand, as well as price.

In addition to pricing pressure due to generics, our Cardiolite products have also faced a share decline in the MPI segment due to a change in professional society appropriateness guidelines, on-going reimbursement pressures, the limited availability of Moly during the NRU reactor shutdown, the limited availability of Cardiolite products to us during the BVL outage, and the increase in use of other diagnostic modalities as a result of a shift to more available imaging agents and modalities. Following the generic event, we believe we had been able to maintain share for our branded product in a generic segment, because of brand awareness, loyalty to the agent within the cardiology community and our strong relationships with our distribution partners. We believe the continuing effects from the BVL outage and continued generic competition will result in further share erosion for our Cardiolite products.

Research and Development Expenses

To remain competitive in the marketplace, we have historically made substantial investments in new product development. As a result, the positive contributions of those internally funded research and development programs have been a key factor in the Company's historical results and success. In March 2013, we began to implement a strategic shift in how we will fund our important R&D programs. We will reduce over time our internal R&D resources while at the same time seeking to engage strategic partners to assist us in the further development and commercialization of our important development candidates, including flurpiridaz F 18, 18F LMI 1195 and LMI 1174. As a result of this shift, we will complete our 301 trial for flurpiridaz F 18 with internal funding while we seek to engage strategic partners to assist us with the further development and possible commercialization of the agent. For our other two important development candidates, 18F LMI 1195 and LMI 1174, we will also seek to engage strategic partners to assist us with the on-going development activities relating to these agents. We expect to internally fund expenses over the next several years for the clinical development of all of these product candidates as we work with our strategic partners. We also expect to incur and internally fund increases in manufacturing infrastructure costs for research and development initiatives as we approach the later stages of clinical development.

Ablavar

Prior to the issuance of the September 30, 2012 financial statements, we implemented a reduction in the sales force dedicated to Ablavar. We performed an analysis of expected future sales of our Ablavar product, based on an updated sales forecast reflecting the reduction in sales force personnel dedicated to Ablavar, and recorded in the third quarter of 2012 to cost of goods sold an inventory write-down of $10.6 million and a reserve of $1.9 million associated with the portion of the committed purchases of Ablavar product that we did not believe we would sell prior to expiry. In 2013, we decided to stop selling Ablavar actively through our sales force and transferred responsibility for supporting future sales to our customer service organization.

Prior to the issuance of the June 30, 2011 and December 31, 2011 financial statements, we performed an analyses of expected future sales of our Ablavar product and recorded an inventory write-down to cost of goods sold of $13.5 million and $12.3 million in the second and fourth quarters of 2011, respectively, which represented the cost of Ablavar finished good product and API that we did not believe we would be able to sell prior to its expiration. We completed updated sales forecasts for Ablavar based on actual sales through June 30, 2011 and December 31, 2011 in consideration of our supply agreement for API and finished good product. Based on the updated sales forecasts, coupled with the aggregate six-year shelf life of API and finished goods, we recorded in cost of goods sold a loss of $1.9 million and $3.7 million in the second and fourth quarters of 2011, respectively, for the loss associated with the portion of the committed purchases of Ablavar product that we did not believe we would be able to sell prior to its expiration. Additionally, we determined that the write-down of Ablavar inventory during the six months ended June 30, 2011 represented an event that warranted assessment of the intellectual property associated with Ablavar for its recoverability and concluded that the intellectual property was not recoverable and in the second quarter of 2011, recorded in cost of goods sold an impairment of this intangible asset of $23.5 million.

After giving effect to these adjustments, as of December 31, 2012 and 2011, we have a total of $2.8 million and $12.2 million, respectively, of Ablavar inventory on hand. At December 31, 2012 and 2011, we had approximately $9.4 million and $11.1 million, respectively, of remaining committed Ablavar purchase obligations, of which $7.5 million and $5.6 million, respectively, is included in our accrued contract loss. In 2013, we have transitioned the sales and marketing efforts for Ablavar from our direct sales force to our customer service team in order to allow our direct sales force to drive our DEFINITY resurgence plan following our recent supply challenges. If we do not meet our current sales goals or cannot sell the product we have committed to purchase prior to its expiration, we could incur additional inventory write-downs and/or losses on our purchase commitments.

In October 2011, we entered into Amendment No. 2 to the Supply Agreement dated as of April 6, 2009 between Mallinckrodt and us. The Ablavar agreement provides for the manufacture and supply by Mallinckrodt of Ablavar API and finished drug product for us. Among other things, Amendment No. 2 (i) extends the term of the Ablavar agreement from September 30, 2012 until September 30, 2014, (ii) reduces the amount of API Mallinckrodt is obligated to supply to us and we are obligated to purchase from Mallinckrodt over the term of the Ablavar agreement and (iii) increases the amount of finished drug product Mallinckrodt is obligated to supply to us and we are obligated to purchase from Mallinckrodt over the term of the Ablavar agreement. As a result of Amendment No. 2, our aggregate future purchase obligations of LMI under the Ablavar agreement were reduced from approximately $33.8 million to approximately $20.9 million. As of December 31, 2012, our remaining obligation under this agreement is approximately $9.4 million.

Operating Results

The following have been included in our results as of and for the year ended December 31, 2012:

- limited supply of DEFINITY, Cardiolite and Neurolite product inventory as a result of the BVL outage, and higher material cost for Cardiolite because of more expensive sourcing from our current alternate manufacturer of Cardiolite and from third party manufacturers of generic sestamibi;
- an additional inventory write-down of $10.6 million and a reserve of $1.9 million for an additional loss associated with the portion of the committed purchases of Ablavar product that we do not believe will be sold prior to expiry, as a result of the reduction of the Ablavar sales and marketing effort;
- in June 2012, we began to supply DEFINITY produced by BVL again to customers, which resulted in increasing revenues starting in the third quarter and increased sales incentive compensation;
- continued generic competition to Cardiolite;
- limited Ablavar revenues to offset costs related to the commercialization of the product;
- underabsorption of manufacturing overhead due to BVL outage;
- action taken on March 1, 2012 to reduce our workforce in an effort to reduce costs and increase operating efficiencies; and
- a total of $35.0 million received from BVL to compensate us for business losses under (i) the Settlement Agreement and (ii) the Transition Services Agreement.

During the year ended December 31, 2012, we incurred a net loss of $42.0 million and an operating loss of $0.8 million. We have developed plans and taken steps that we believe will enable us to strengthen our operations and meet our operating and financing requirements. In March 2013, we began to implement a strategic shift in how we will fund our important R&D programs. We will reduce over time our internal R&D resources while at the same time seeking to engage strategic partners to assist us in the further development and commercialization of our important development candidates, including flurpiridaz F 18, 18F LMI 1195 and LMI 1174. We will complete our 301 trial for flurpiridaz F 18 with internal funding while we seek to engage strategic partners to assist us with the further development and possible commercialization of the agent. For our other two important development candidates, 18F LMI 1195 and LMI 1174, we willalso seek to engage strategic partners to assist us with the on-going development activities relating to these agents. We expect to internally fund expenses over the next several years for the clinical development of these product candidates as we work with our strategic partners.

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Years Ended December 31, 2012, 2011 and 2010

(dollars in thousands)	December 31, 2012	2011	2010	2012 compared to 2011 Change $	Change %	2011 compared to 2010 Change $	Change %
Revenues							
Net product revenues	$277,354	$ 345,762	$345,747	$(68,408)	(19.8)%	$ 15	—%
License and other revenues	10,751	10,530	8,209	221	2.1	2,321	28.3
Total revenues	288,105	356,292	353,956	(68,187)	(19.1)	2,336	0.6
Cost of goods sold	211,049	255,466	204,006	(44,417)	(17.4)	51,460	25.2
Loss on firm purchase commitment	1,859	5,610	—	(3,751)	(66.9)	5,610	100.0
Total cost of goods sold	212,908	261,076	204,006	(48,168)	(18.4)	57,070	28.0
Gross profit	75,197	95,216	149,950	(20,019)	(21.0)	(54,734)	(36.5)
Operating expenses							
General and administrative expenses	32,520	32,057	30,042	463	1.4	2,015	6.7
Sales and marketing expenses	37,437	38,689	45,384	(1,252)	(3.2)	(6,695)	(14.8)
Research and development expenses	40,604	40,945	45,130	(341)	(0.8)	(4,185)	(9.3)
Proceeds from manufacturer	(34,614)	—	—	(34,614)	(100.0)	—	—
Total operating expenses	75,947	111,691	120,556	(35,744)	(32.0)	(8,865)	(7.4)
Operating (loss) income	(750)	(16,475)	29,394	15,725	95.4	(45,869)	(156.0)
Interest expense	(42,014)	(37,658)	(20,395)	(4,356)	11.6	(17,263)	84.6
Loss on early extinguishment of debt	—	—	(3,057)	—	—	3,057	100.0
Interest income	252	333	179	(81)	(24.3)	154	86.0
Other (expense) income, net	(44)	1,429	1,314	(1,473)	(103.1)	115	8.8
(Loss) income before income taxes	(42,556)	(52,371)	7,435	9,815	18.7	(59,806)	(804.4)
Provision (benefit) for income taxes	(555)	84,098	2,465	(84,653)	(100.7)	81,633	3,311.7
Net (loss) income	(42,001)	(136,469)	4,970	94,468	69.2	(141,439)	(2,845.9)
Foreign currency translation, net of taxes	964	(337)	1,150	1,301	386.1	(1,487)	(129.3)

Total comprehensive (loss) income	$ (41,037)	$(136,806)	$ 6,120	$ 95,769	70.0%	$(142,926)	(2,335.4)%

Comparison of the Years Ended December 31, 2012, 2011, and 2010

Revenues

Revenues are summarized as follows:

(dollars in thousands)	December 31, 2012	2011	2010	2012 compared to 2011 Change $	Change %	2011 compared to 2010 Change $	Change %
United States							
DEFINITY	$ 50,377	$ 67,442	$ 58,846	$(17,065)	(25.3)%	$ 8,596	14.6%
TechneLite	101,049	114,833	108,262	(13,784)	(12.0)	6,571	6.1
Cardiolite	13,851	39,214	50,408	(25,363)	(64.7)	(11,194)	(22.2)
Xenon	30,048	26,728	19,883	3,320	12.4	6,845	34.4
Other currently marketed products	3,935	9,618	19,138	(5,683)	(59.1)	(9,520)	(49.7)
Total U.S. net product revenues	199,260	257,835	256,537	(58,575)	(22.7)	1,298	0.5
License and other revenues	10,751	10,530	8,209	221	2.1	2,321	28.3
Total U.S. revenues	$210,011	$268,365	$264,746	$(58,354)	(21.7)%	$ 3,619	1.4%
International							
DEFINITY	$ 1,054	$ 1,061	$ 1,122	$ (7)	(0.7)%	$ (61)	(5.4)%
TechneLite	13,200	16,408	13,782	(3,208)	(19.6)	2,626	19.1
Cardiolite	21,144	26,913	27,014	(5,769)	(21.4)	(101)	(0.4)
Xenon	27	33	49	(6)	(18.2)	(16)	(32.7)
Other currently marketed products	42,669	43,512	47,243	(843)	(1.9)	(3,731)	(7.9)
Total International net product revenues	$ 78,094	$ 87,927	$ 89,210	$ (9,833)	(11.2)	$ (1,283)	(1.4)
Net product revenues	$277,354	$345,762	$345,747	$(68,408)	(19.8)%	$ 15	—%
License and other revenues	10,751	10,530	8,209	221	2.1	2,321	28.3
Total revenues	$288,105	$356,292	$353,956	$(68,187)	(19.1)%	$ 2,336	0.6%

Total revenues decreased $68.2 million, or 19.1%, to $288.1 million in the year ended December 31, 2012, as compared to $356.3 million in the year ended December 31, 2011.U.S. segment revenue decreased $58.4 million, or 21.7%, to $210.0 million in the same period, as compared to $268.4 million in the prior year. The decrease in the U.S. segment over the prior year is primarily due to the BVL outage impacting our supply of DEFINITY, Cardiolite, and Neurolite, which represented $35.5 million of unit volume revenue decreases. We also experienced lower pricing on Cardiolite and DEFINITY products in 2012, which represented $11.1 million of the decrease in U.S. segment revenues. We experienced lower TechneLite revenues due to the loss of a significant customer during the second quarter of 2012, resulting in lower revenues of $8.0 million. A decline in a significant customer's market share resulted in lower revenues of $4.1 million in 2012. Offsetting these decreases were increases in revenue for the U.S. segment of Xenon, with price increases of $5.1 million offset in part by lower unit volumes of $1.8 million.

The International segment revenues decreased $9.8 million, or 11.2%, to $78.1 million in the year ended December 31, 2012, as compared to $87.9 million in the year ended December 31, 2011. The decrease was primarily due to the BVL outage impacting our supply of Cardiolite and Neurolite in the international markets and TechneLite decreases due to lower unit volume and pricing in certain markets.

Total revenues increased $2.3 million, or 0.6%, to $356.3 million in the year ended December 31, 2011, as compared to $354.0 million in the year ended December 31, 2010. U.S. segment revenue increased $3.6 million, or 1.4%, to $268.4 million in the same period, as compared to $264.7 million in the prior year. This increase in the U.S. segment over the prior year is primarily driven by increased sales of DEFINITY, due to the increase in the number of contrast studies performed, TechneLite, which had been adversely impacted from May 2009 until August 2010 by a global Moly shortage as a result of the NRU reactor outage and Xenon, primarily due to price increases. Offsetting these increases were lower Thallium revenues primarily due to customers returning to technetium-based studies following the return of a normal Moly supply and lower Cardiolite and Neurolite revenues primarily due to the BVL supply shortage and continued generic pressure on Cardiolite.

The International segment revenues decreased $1.3 million, or 1.4%, to $87.9 million in the year ended December 31, 2011, as compared to $89.2 million in the year ended December 31, 2010. The decrease was primarily driven by a decrease in Thallium revenues as customers returned to technetium-based studies following the return of a normal Moly supply, as well as a decrease in Cardiolite and Neurolite revenues as a result of the recent product recall and supply issues, resulting in stock outs of product in certain international markets. Offsetting these decreases was the impact of favorable foreign currency exchange of approximately $4.2 million and higher TechneLite revenues due to an increase in global Moly availability following the return of a normal Moly supply in 2011 as compared to 2010.

Rebates and Allowances

Estimates for rebates and allowances represent our estimated obligations under contractual arrangements with third parties. Rebate accruals and allowances are recorded in the same period the related revenue is recognized, resulting in a reduction to product revenue and the establishment of a liability which is included in accrued expenses. These rebates result from performance-based offers that are primarily based on attaining contractually specified sales volumes and growth, Medicaid rebate programs for certain products, administration fees of group purchasing organizations, and certain distributor related commissions. The calculation of the accrual for these rebates and allowances is based on an estimate of the third party's buying patterns and the resulting applicable contractual rebate or commission rate(s) to be earned over a contractual period.

An analysis of the amount of, and change in, reserves is summarized as follows:

(in thousands)	Rebates	Allowances	Total
Balance, as of January 1, 2010	$ 427	$ 41	$ 468
Current provisions relating to revenues in current year	3,072	555	3,627
Adjustments relating to prior years' estimate	—	—	—
Payments/credits relating to revenues in current year	(2,171)	(454)	(2,625)
Payments/credits relating to revenues in prior years	(418)	(41)	(459)
Balance, as of December 31, 2010	910	101	1,011
Current provisions relating to revenues in current year	3,672	474	4,146
Adjustments relating to prior years' estimate	(116)	—	(116)
Payments/credits relating to revenues in current year	(2,617)	(441)	(3,058)
Payments/credits relating to revenues in prior years	(493)	(101)	(594)
Balance, as of December 31, 2011	1,356	33	1,389
Current provisions relating to revenues in current year	3,224	291	3,515
Adjustments relating to prior years' estimate	(145)	—	(145)
Payments/credits relating to revenues in current year	(2,232)	(223)	(2,455)
Payments/credits relating to revenues in prior years	(661)	(35)	(696)
Balance, as of December 31, 2012	$ 1,542	$ 66	$ 1,608

Sales rebates were approximately $1.5 million and $1.4 million at December 31, 2012 and December 31, 2011, respectively. The increase in the accrual resulted principally from the timing of payments. In October 2010, we entered into a Medicaid Drug Rebate Agreement for certain of our products, which did not have a material impact on our results of operations in 2010, 2011 or 2012. If the demand for these products through the Medicaid program increases in the future, our rebates associated with this program could increase and could have a material impact on future results of operations.

Cost of Goods Sold

Cost of goods sold consists of manufacturing, distribution, definite lived intangible asset amortization and other costs related to our commercial products. In addition, it includes the write off of excess and obsolete inventory.

Cost of goods sold is summarized as follows:

				2012 compared to 2011		2011 compared to 2010	
	December 31,			Change	Change	Change	Change
(dollars in thousands)	2012	2011	2010	$	%	$	%
United States	$156,098	$206,450	$148,454	$(50,352)	(24.4)%	$57,996	39.1%
International	56,810	54,626	55,552	2,184	4.0	(926)	(1.7)
Total Cost of Goods Sold	$212,908	$261,076	$204,006	$(48,168)	(18.4)%	$57,070	28.0%

Total cost of goods sold decreased $48.2 million, or 18.4%, to $212.9 million in the year ended December 31, 2012, as compared to $261.1 million in the year ended December 31, 2011. U.S. segment cost of goods sold decreased approximately $50.4 million, or 24.4%, to $156.1 million in same period, as compared to $206.5 million in the prior year period. The primary contributing factor to the decrease in the U.S. segment cost of goods sold was the prior period write-off for Ablavar intangible assets of $23.5 million and the decrease of $18.9 million in amounts recorded for Ablavar inventory write-down and contract loss reserves associated with Ablavar inventory purchase commitments. We also incurred lower TechneLite material costs of $12.6 million due to lower unit volumes and lower cost with our primary supplier beginning in November 2012. These decreases were partially offset by higher DEFINITY technology transfer costs of $4.9 million, take or pay losses of $4.3 million on purchase commitments for Moly and higher Cardiolite manufacturing costs of $1.5 million due to increased material expenses as a result of sourcing material from an alternate higher cost manufacturer due to the BVL outage.

For the year ended December 31, 2012, the International segment cost of goods sold increased $2.2 million, or 4.0%, to $56.8 million, as compared to $54.6 million in the prior year period. Cost of goods sold in our International segment increased primarily due to temporary increases in costs for third party sestamibi and a substitute product for Neurolite. These increases were partially offset by lower Cardiolite, Neurolite and TechneLite unit volumes in certain markets.

Total cost of goods sold increased $57.1 million, or 28.0%, to $261.1 million in the year ended December 31, 2011, as compared to $204.0 millior in the year ended December 31, 2010. U.S. segment cost of goods sold increased approximately $58.0 million, or 39.1%, to $206.5 million in same period, as compared to $148.5 million in the prior year period. The primary contributing factors to the increase in the U.S. segment cost of goods sold were charges resulting from on-hand inventory shelf life, an assessment of future Ablavar sales and the related effect on committed supply and an impairment of the Ablavar patent portfolio intangible asset. The total costs included in cost of goods sold of the inventory reserve, the loss contract reserve and the intangible impairment was $54.9 million for the year ended December 31, 2011, as compared to a $10.9 million write-off of Ablavar inventory in 2010, an

increase of $44.0 million. The U.S. segment also incurred higher costs as we produced more TechneLite after the return to normal Moly supply following the outage of the NRU reactor in Chalk River, Ontario. Increases in Thallium and Gallium costs also occurred as a result of lower International segment volume, the effect of which burdened the U.S. segment with a greater share of manufacturing overhead expenses. Similarly, we also experienced higher Neurolite manufacturing costs due primarily to lower International segment volume as a direct result of the longer than expected BVL shutdown and product recalls, the effect of which burdened the U.S. segment with more costs due to lower absorption. These increases were partially offset by a decrease in amortization of intangible customer relationships.

For the year ended December 31, 2011, the International segment cost of goods sold decreased $0.9 million, or 1.7%, to $54.6 million, as compared to $55.5 million in the prior year period. Cost of goods sold in our International segment decreased primarily due to lower Neurolite volumes as a result of the longer than expected BVL outage and product recall. We also experienced lower Thallium costs due to lower volumes resulting from customers switching to technetium-based studies and lower third party and other product costs due to favorable mix and lower material costs. These decreases were partially offset primarily by higher manufacturing costs in our radiopharmacies.

Gross Profit

	December 31,			2012 compared to 2011		2011 compared to 2010	
(dollars in thousands)	2012	2011	2010	Change $	Change %	Change $	Change %
United States	$53,913	$61,915	$116,292	$ (8,002)	(12.9)%	$(54,377)	(46.8)%
International	21,284	33,301	33,658	(12,017)	(36.1)	(357)	(1.1)
Total Gross Profit	$75,197	$95,216	$149,950	$(20,019)	(21.0)%	$(54,734)	(36.5)%

Total gross profit decreased $20.0 million, or 21.0%, to $75.2 million in the year ended December 31, 2012, as compared to $95.2 million in the year ended December 31, 2011. U.S. segment gross profit decreased $8.0 million, or 12.9%, to $53.9 million, as compared to $61.9 million in the prior year period. Gross profit in the U.S. segment decreased primarily due to lower profits of $40.9 million from Cardiolite, DEFINITY, and Neurolite caused by supply issues resulting from the BVL outage. We also experienced decreased profits of $5.5 million from TechneLite, driven by $4.3 million of take or pay losses on purchase commitments for Moly, $4.1 million in lower margins from lower unit sales, offset by $2.9 million in higher selling price given the customer mix. Additionally, we incurred increased DEFINITY technology transfer costs of $4.9 million and higher Cardiolite manufacturing costs of $1.5 million in 2012 due to increased material expenses as a result of sourcing material from an alternate higher cost manufacturer as a result of the BVL outage, contributed to a lower gross profit over the prior period. These decreases were partially offset by the prior period write-off for Ablavar intangible assets of $23.5 million and the decrease of $18.9 million in amounts recorded for Ablavar inventory write-down and contract loss reserves associated with Ablavar inventory purchase commitments and higher Xenon gross profit due to price increases of $5.1 million offset by lower unit volumes reducing gross profit by $2.0 million.

For the year ended December 31, 2012, the International segment gross profit decreased $12.0 million, or 36.1%, to $21.3 million, as compared to $33.3 million in the prior year period. Gross profit in our International segment decreased due to lower Cardiolite and Neurolite unit sales volumes related to the product shortage issues resulting from the BVL outage, higher material expenses as we sourced material from alternate higher cost manufacturers and lower units sales volumes given competitive pressures in certain markets. These decreases were partially offset by higher profits from Neurolite ligand, which was unaffected by the BVL product shortage.

Total gross profit decreased $54.7 million, or 36.5%, to $95.2 million in the year ended December 31, 2011, as compared to $150.0 million in the year ended December 31, 2010. U.S. segment gross profit decreased $54.4 million, or 46.8%, to $61.9 million, as compared to $116.3 million in the prior year period. Gross profit in the U.S. segment decreased primarily due to the $44.0 million incremental expense in 2011 arising from the Ablavar inventory, loss contract reserves and intangible asset impairment previously discussed. We also experienced a decrease in Cardiolite and Neurolite profit relating to revenue loss from the longer than anticipated BVL outage and product recall, coupled with higher manufacturing costs arising from unabsorbed capacity due primarily to the inability to manufacture product as a result of the longer than expected BVL shutdown. A decrease in Thallium profit also occurred due to customers sourcing product from competitors and higher manufacturing cost. These decreases were partially offset by an increase in DEFINITY profit as demand continued to increase as well as higher profit from Xenon due to an increase in price.

For the year ended December 31, 2011, the International segment gross profit decreased $0.4 million, or 1.1%, to $33.3 million, as compared to $33.7 million in the prior year period. Gross profit in our International segment decreased largely due to a decrease in Thallium gross profit due to lower volume as customers returned to technetium-based studies. We also experienced increased manufacturing costs in our radiopharmacies and a decrease in Cardiolite gross profit relating to the longer than anticipated BVL outage. These decreases were partially offset by an increase in TechneLite gross profit following the return to normal Moly supply and an increase in third party and other products profit due to lower material costs, favorable mix and higher revenues from fluorodeoxyglucose ("FDG"), a PET imaging cancer agent, and generic sestamibi.

General and Administrative

				2012 compared to 2011		2011 compared to 2010	
	December 31,			Change	Change	Change	Change
(dollars in thousands)	2012	2011	2010	$	%	$	%
United States	$ 30,192	$ 29,415	$ 27,193	$ 777	2.6%	$ 2,222	8.2%
International	2,328	2,642	2,849	(314)	(11.9)	(207)	(7.3)
Total General and Administrative	$ 32,520	$ 32,057	$ 30,042	$ 463	1.4%	$ 2,015	6.7%

General and administrative expenses consist of salaries and other related costs for personnel in executive, finance, legal, information technology and human resource functions. Other costs included in general and administrative expenses are professional fees for information technology services, external legal fees, consulting and accounting services as well as bad debt expense, certain facility and insurance costs, including director and officer liability insurance.

Total general and administrative expenses increased approximately $0.5 million, or 1.4%, to $32.5 million in the year ended December 31, 2012, as compared to $32.1 million in the year ended December 31, 2011. In the U.S. segment, general and administrative expenses increased $0.8 million, or 2.6%, to $30.2 million, as compared to $29.4 million in the prior year period. The increase was primarily due to a $0.9 million increase in stock compensation driven by the reversal of stock-based compensation expense in 2011 relating to the determination that the achievement of certain performance targets was no longer probable and current year modifications to stock option agreements. In addition, depreciation expense increased approximately $0.3 million over the prior year as a result of certain capital spending projects occurring in late 2011 and early 2012 related primarily to information technology improvements. Offsetting this increase was an overall reduction in costs associated with external support primarily related to information technology.

For the year ended December 31, 2012, general and administrative expenses in the International segment decreased $0.3 million or 11.9%, to $2.3 million as compared to $2.6 million in the prior year

period. This decrease was primarily due to a recovery of previously reserved accounts receivable during 2012 and reduced headcount in 2012 as compared to 2011.

Total general and administrative expenses increased $2.0 million, or 6.7%, to $32.1 million in the year ended December 31, 2011, as compared to $30.0 million in the year ended December 31, 2010. In the U.S. segment, general and administrative expenses increased $2.2 million, or 8.2%, to $29.4 million, as compared to $27.2 million in the prior year period. The increase primarily related to legal expenses for a business interruption insurance claim, as well as higher salaries and benefits for additional experienced personnel. These increases were partly offset by lower professional services fees driven by cost containment initiatives.

For the year ended December 31, 2011, general and administrative expenses in the International segment decreased $0.2 million or 7.3%, to $2.6 million as compared to $2.8 million in the prior year period. This decrease was primarily driven by lower recruitment fees and bad debt expense.

Sales and Marketing

				2012 compared to 2011		2011 compared to 2010	
	December 31,			Change	Change	Change	Change
(dollars in thousands)	2012	2011	2010	$	%	$	%
United States	$33,638	$34,040	$40,762	$ (402)	(1.2)%	$(6,722)	(16.5)%
International	3,799	4,649	4,622	(850)	(18.3)	27	0.6
Total Sales and Marketing	$37,437	$38,689	$45,384	$(1,252)	(3.2)%	$(6,695)	(14.8)%

Sales and marketing expenses consist primarily of salaries and other related costs for personnel in field sales, marketing, business development, and customer service functions. Other costs in sales and marketing expenses include the development and printing of advertising and promotional material, professional services, market research, and sales meetings.

Total sales and marketing expenses decreased $1.3 million, or 3.2%, to $37.4 million in the year ended December 31, 2012, as compared to $38.7 million in the year ended December 31, 2011. In the U.S. segment, sales and marketing expense decreased $0.4 million, or 1.2%, to $33.6 million in the same period, as compared to $34.0 million in the prior year. Overall, there were lower expenses on sales and marketing activities as a result of $1.6 million of reductions in discretionary spending due to the prolonged BVL outage. Additionally, salary and other personnel costs in 2012 were $1.3 million lower primarily due to the workforce reductions during the second quarter of 2011 and March 2012. These decreases were offset by a $1.1 million reversal of stock-based compensation expense in the first quarter of 2011 and $1.4 million of increased sales incentive compensation related to the return of DEFINITY product to the market in June 2012. As a percentage of net revenue in the U.S. segment, sales and marketing expenses were 16.0%, 12.7% and 15.4% for the years ended December 31, 2012, 2011 and 2010, respectively.

For the year ended December 31, 2012, the International segment sales and marketing expense decreased $0.9 million or 18.3%, to $3.8 million as compared to $4.6 million in the prior year period. The decrease in sales and marketing expenses in the International segment was primarily due to lower headcount and expenses on sales and marketing activities as a result of reductions in discretionary spending due to the prolonged BVL outage. As a percentage of net revenue, sales and marketing expenses in the International segment were 4.9%, 5.3% and 5.2% for the years ended December 31, 2012, 2011 and 2010, respectively.

Total sales and marketing expenses decreased $6.7 million, or 14.8%, to $38.7 million in the year ended December 31, 2011, as compared to $45.4 million in the year ended December 31, 2010. In the U.S. segment, sales and marketing expense decreased $6.7 million, or 16.5%, to $34.0 million in the

same period, as compared to $40.8 million in the prior year. The decrease related primarily to the discontinued use of a contracted sales force supporting Ablavar, as part of a sales force reorganization in the fourth quarter of 2010. Compensation costs were lower due to a non-recurring reduction of stock compensation expense resulting from an expired liability award. Other decreases, driven by cost containment initiatives, include market research primarily related to Ablavar and lower professional services. These decreases were partly offset by increased variable incentive compensation for the sales force.

For the year ended December 31, 2011, the International segment sales and marketing expense remained relatively flat.

Research and Development

	December 31,			2012 compared to 2011		2011 compared to 2010	
(dollars in thousands)	2012	2011	2010	Change $	Change %	Change $	Change %
United States	$40,457	$40,387	$44,639	$ 70	0.2%	$ (4,252)	(9.5)%
International	147	558	491	(411)	(73.7)	67	13.6
Total Research and Development	$40,604	$40,945	$45,130	$ (341)	(0.8)%	$ (4,185)	(9.3)%

Research and development expenses relate primarily to the development of new products to add to the Company's portfolio and costs related to its medical affairs and medical information functions.

Total research and development expense decreased $0.3 million, or 0.8%, to $40.6 million for the year ended December 31, 2012, as compared to $40.9 million in the year ended December 31, 2011. In the U.S. segment, research and development expense increased approximately $0.1 million, or 0.2%, to $40.4 million, as compared to $40.3 million in the prior year period. Research and development expense in the U.S. segment remained relatively flat from 2011 to 2012. We continued to actively enroll patients and activate sites for our flurpiridaz F 18 Phase 3 program. In the first half of 2011, we were primarily in the planning and preparation stage for our flurpiridaz F 18 Phase 3 program. We enrolled our first patient in this Phase 3 program during the second quarter of 2011. The resulting increase in clinical activity in 2012 were related to our clinical research organization, investigator expenses, drug products, lab supplies, and consultants by $5.3 million. These increases were offset by a reduction in workforce in the second quarter of 2011 by $4.4 million and the decrease in depreciation expense of $0.9 million.

For the year ended December 31, 2012, the International segment research and development expenses decreased approximately $0.4 million, or 73.7%, to $0.1 million, as compared to $0.6 million in the prior year period. The decrease in research and development expenses for the International segment was primarily due to a reduction in workforce in the second quarter of 2011.

Total research and development expense decreased $4.2 million, or 9.3%, to $40.9 million for the year ended December 31, 2011, as compared to $45.1 million in the year ended December 31, 2010. In the U.S. segment, research and development expense decreased $4.3 million, or 9.5%, to $40.3 million, as compared to $44.6 million in the prior year period. The decrease in research and development expense in the U.S. segment was primarily due to the timing of clinical activity related to our flurpiridaz F 18 program. During the first half of 2011, we were primarily in the planning and preparation stage for our flurpiridaz F 18 Phase 3 trial. At the end of the second quarter, we enrolled our first patient and continued to actively enroll patients and activate sites during the second half of 2011 and throughout 2012. In 2010, we had costs related to multiple clinical trials, principally, the flurpiridaz F 18 Phase 2 clinical trial and our DEFINITY Phase 4 clinical trial. These clinical trial expenses were offset, in part, by the closure and final true-up of our Cardiolite Pediatrics clinical trial.

This reduction of clinical activity in 2011 resulted in lower costs related to drug products, lab supplies, clinical site monitoring and consultants. Additionally, we had a decrease in personnel related costs resulting from a work force reduction in June 2011, fewer independent medical education grants and lower regulatory filing fees as the 2010 results include a one-time fee to the FDA for a supplemental New Drug Application, or sNDA, for our DEFINITY product.

For the year ended December 31, 2011, the International segment research and development expenses increased $0.1 million, or 13.6%, to $0.6 million, as compared to $0.5 million in the prior year period. Research and development expenses in the International segment remained relatively consistent.

Our research and development expenses related to our flurpiridaz F 18 program for 2010 consisted primarily of costs related to the completion of our Phase 2 and the planning of our Phase 3 clinical trials. We commenced our Phase 3 trials in the second quarter of 2011 and enrolled patients for the first of two Phase 3 trials during 2012. We expect to incur additional expenses related to the completion of the first Phase 3 trial in 2013.

Proceeds from Manufacturer

For the year ended December 31, 2012 as compared to the year ended December 31, 2011, proceeds from manufacturerincreased by $34.6 million as a result of the receipt of the $30.0 million from BVL to compensate us for business losses and an additional $5.0 million under the Transition Services Agreement. During the first quarter of 2012, BVL and LMI terminated their original manufacturing agreement and entered into the Settlement Agreement, the Transition Services Agreement and the Manufacturing and Services Contract.

Other Income (Expense), Net

				2012 compared to 2011		2011 compared to 2010	
	December 31,			Change	Change	Change	Change
(dollars in thousands)	2012	2011	2010	$	%	$	%
Interest expense	$(42,014)	$(37,658)	$(20,395)	$(4,356)	11.6%	$(17,263)	84.6%
Loss on early extinguishment of debt	—	—	(3,057)	—	—	3,057	(100.0)
Interest income	252	333	179	(81)	(24.3)	154	86.0
Other (expense) income, net	(44)	1,429	1,314	(1,473)	(103.1)	115	8.8
Total Other Expense, net	$(41,806)	$(35,896)	$(21,959)	$(5,910)	16.5%	$(13,937)	63.5%

Interest Expense

For the year ended December 31, 2012 compared to the same period in 2011, interest expense increased by 11.6% to$42.0 million from $37.7 million, as a result of the issuance of $150.0 million of New Notes in the first quarter of 2011.

For the year ended December 31, 2011 compared to the same period in 2010, interest expense increased by 84.6% to $37.7 million from $20.4 million, as a result of the issuance of $150.0 million of New Notes in the first quarter of 2011. See Note 10, "Financing Arrangements" in our accompanying consolidated financial statements.

Interest Income

For the year ended December 31, 2012 compared to the same period in 2011, interest income decreased by 24.3% to $252,000 from $333,000, primarily as a result of a decrease in cash in interest bearing accounts.

For the year ended December 31, 2011 compared to the same period in 2010, interest income increased by 86.0% to $0.3 million from $0.2 million, primarily as a result of an increase in cash in interest bearing accounts.

Other Income, net

For the year ended December 31, 2012 compared to the same period in 2011, other (expense) income, net decreased by 103.1% to$(44,000) from $1.4 million primarily due to a decrease in the tax indemnification asset and changes in foreign currency exchange rates.

For the year ended December 31, 2011 compared to the same period in 2010, other income, net increased by 8.8% to $1.4 million from $1.3 million primarily as a result of an increase in the amount of income recognized related to our tax indemnification agreement with BMS offset slightly by foreign currency exchange.

Provision (Benefit) for Income Taxes

				2012 compared to 2011		2011 compared to 2010	
	December 31,			Change	Change	Change	Change
(dollars in thousands)	2012	2011	2010	$	%	$	%
Provision (benefit) for income taxes	$(555)	$84,098	$2,465	$(84,653)	(100.7)%	$81,633	3,311.7%

For the year ended December 31, 2012 compared to the same period in 2011, provision (benefit) for income taxes decreased by 100.7% to $(0.6) million from $84.1 million due primarily to the valuation allowance that was recorded in the prior period and the release of prior year's tax uncertain tax positions due to the lapse of statutes in 2012.

For the year ended December 31, 2011 compared to the same period in 2010, provision for income taxes increased by 3,311.7% to $84.1 million from $2.5 million, due primarily to the increase in valuation allowance.

We have generated domestic pre-tax losses for the past two years. This loss history demonstrates negative evidence concerning our ability to utilize our gross deferred tax assets. In order to overcome the presumption of recording a valuation allowance against our net deferred tax assets, we must have sufficient positive evidence that we can generate sufficient taxable income to utilize these deferred tax assets within the carryover or forecast period. Although we have no history of expiring net operating losses or other tax attributes, the cumulative domestic loss incurred over the three year period ended December 31, 2012 is a significant component of objective negative evidence and limits our ability to consider other subjective evidence such as our projections for future growth. On the basis of this evaluation, as of December 31, 2012, we continue to maintain a full valuation allowance on the portion of our domestic deferred tax assets that is not more-likely-than-not to be realized. Accordingly, the valuation allowance has increased by $20.2 million in 2012 for losses not benefited.

Our effective tax rate for the years ended December 31, 2012, 2011, and 2010 was 1.3%, 160.7%, and 33.1%. Our tax rate is affected by recurring items, such as tax rates in foreign jurisdictions and the relative amount of income we earn in those jurisdictions, which we expect to be fairly consistent in the near term. It is also affected by discrete events that may occur in any given year, but are not consistent

from year to year. The following items had the most significant impact on the difference between our statutory U.S. federal income tax rate of 35% and our effective tax rate during the years ended:

December 31, 2012

- A $20.2 million increase to our valuation allowance against net domestic deferred tax assets.
- A $2.3 million reduction relating to prior year uncertain tax positions for a closed tax year.
- A $1.8 million reduction relating to a state income tax benefit consisting of $1.1 million related to state NOL's, $0.3 million related to research credits, and $0.4 million to other changes to state deferred taxes.

December 31, 2011

- A $102.7 million increase to our valuation allowance against net domestic deferred tax assets.
- A $1.1 million increase in our uncertain tax positions relating to state tax nexus and transfer pricing.
- A $2.6 million increase relating to the establishment of a deferred tax liability for foreign subsidiary earnings that are no longer considered permanently reinvested.
- A $1.8 million reduction relating to a state income tax benefit associated with changes to deferred taxes.

December 31, 2010

- A $2.7 million increase in our uncertain tax positions for state tax nexus and transfer pricing.
- A $1.3 million reduction in taxes payable relating to the release of prior year tax uncertain tax positions.
- A $0.7 million reduction relating to federal research credits.

Undistributed earnings of various foreign subsidiaries aggregated $2.5 million, $14.1 million and $9.5 million at December 31, 2012, 2011, and 2010, respectively. For the year ended December 31, 2012 and 2011, the Company has recorded a deferred tax liability of $1.1 million and $5.9 million respectively, relating to the additional tax that would be due in the U.S. upon repatriation of these earnings.

Liquidity and Capital Resources

Cash Flows

The following table provides information regarding our cash flows:

	Year Ended December 31,			% Change	
	2012	2011	2010	2012 Compared to 2011	2011 Compared to 2010
	(dollars in thousands)				
Cash provided by (used in):					
Operating activities	$ 523	$ 22,420	$ 26,317	(97.7)%	(14.8)%
Investing activities	(8,145)	(7,694)	(8,550)	5.9%	(10.0)%
Financing activities	(2,039)	(6,991)	(17,550)	(70.8)%	(60.2)%

Net Cash Provided by Operating Activities

Cash provided by operating activities is primarily driven by our earnings and changes in working capital. The decrease in cash provided by operating activities for the year ended December 31, 2012 as compared to 2011 was primarily driven by the impact of decreased unit sales due to the BVL outage. These decreases were offset by: (1) the receipt of the $35.0 million BVL settlement in 2012; (2) an amended purchase agreement for one of our products of which $1.7 million of required purchases were made during the year ended December 31, 2012, versus $24.8 million for the year ended December 31, 2011; and (3) the timing of payments made to vendors.

The decrease in cash provided by operating activities for the year ended December 31, 2011 as compared to 2010 was primarily driven by lower revenues due to the supply challenges as a result of the recall and prolonged BVL outage, offset, in part, by a contract amendment with Mallinckrodt which decreased our 2011 purchase commitments of Ablavar product.

Net Cash Used in Investing Activities

Our primary uses of cash in investing activities are for the purchase of property and equipment. Net cash used in investing activities in 2012, 2011 and 2010 reflected the purchase of property and equipment for $7.9 million, $7.7 million and $8.3 million, respectively.

Net Cash Used in Financing Activities

Our primary historical uses of cash in financing activities are principal payments on our then existing term loan and line of credit. On May 10, 2010 and March 21, 2011 we issued $250.0 million and $150.0 million, respectively, of our Notes and paid associated financing costs, paid outstanding principal on the term loan and issued dividends to Holdings. Net cash used in 2011 and 2010 primarily represents the results of these activities as well as the draw down and repayment in 2011 of $10.0 million on our line of credit.

Since 2010, our primary source of cash flows from financing activities has been the proceeds from the issuance of the Notes. Going forward, we expect our primary source of cash flows from financing activities to be further issuances of securities or other financing arrangements into which we may enter. Our primary historical uses of cash in financing activities are principal payments on our term loan and line of credit as well as dividends to Holdings, our parent. See "—External Sources of Liquidity."

External Sources of Liquidity

On May 10, 2010, we issued $250.0 million in aggregate principal amount of 9.750% Senior Notes due in 2017, or the Restricted Notes, at face value, net of issuance costs of $10.1 million, under the indenture, dated as of May 10, 2010. The net proceeds were used to repay $77.9 million due under our outstanding credit agreement and to pay a $163.8 million dividend to Holdings. Holdings utilized the dividend to repay a $75.0 million demand note and to repurchase $90.0 million of Holdings' Series A Preferred Stock at the accreted value. The $75.0 million Demand Note was issued in June 2009, was payable on demand, and had an interest rate equal to the greater of the prime rate plus 2.25% or LIBOR plus 5.0%; the interest rate at December 31, 2009 was 5.5%. On February 2, 2011, we consummated an exchange offer where weexchanged $250.0 million aggregate principal amount of our Restricted Notes for an equal principal amount of 9.750% Senior Notes due 2017, or the Exchange Notes, that were registered under the Securities Act, with substantially identical terms in all respects.

On March 21, 2011, we issued an additional $150.0 million in aggregate principal amount of our New Restricted Notes at face value, net of issuance costs of $4.9 million, under the indenture, dated as of May 10, 2010, as supplemented by the First Supplemental Indenture, dated as of March 14, 2011, and the Second Supplemental Indenture, dated as of March 21, 2011, or together, the Indenture. The

net proceeds were used to fund a $150.0 million dividend to Holdings. Holdings utilized the dividend to repurchase all of the remaining Holdings' Series A Preferred Stock at the accreted value of approximately $44 million and to issue an approximate $106 million dividend to our common securityholders. On May 10, 2011, we consummated an exchange offer where weexchanged $150.0 million aggregate principal amount of New Restricted Notes for an equal principal amount of 9.750% Senior Notes due 2017, or the New Exchange Notes, registered under the Securities Act, with substantially identical terms in all respects.

The Exchange Notes and the New Exchange Notes, or together, the Notes mature on May 15, 2017. Interest on the Notes accrues at a rate of 9.750% per year and is payable semiannually in arrears on May 15 and November 15 commencing on November 15, 2010 for the Notes issued on May 10, 2010 and May 15, 2011 for the Notes issued onMarch 21, 2011. Our annual interest expense increased from $24.4 million to $39.0 million as a result of the March 21, 2011 issuance of Notes.

In connection with the Restricted Notes issuance, LMI entered into a revolving facility (the "Facility") for total borrowings up to $42.5 million with the ability to request the lenders to increase the Facility by an additional amount of up to $15.0 million at the discretion of the lenders. In March 2011, LMI received the consent of the lenders under the Facility to amend the agreement to allow us to use the net proceeds of the March 2011 issuance as described above. The amendment also increased the consolidated total leverage ratio to accommodate the New Restricted Notes issuance and decreased the consolidated interest coverage ratio to accommodate the associated increase in semiannual interest payments. Additionally, the amendment adjusted the effective interest rate of borrowings thereunder. The amendment was consummated concurrently with the consummation of the New Restricted Notes issuance. Interest on the Facility was set at either LIBOR plus 3.75% or the Reference Rate (as defined in the agreement) plus 2.75%. The Facility expires on May 10, 2014, at which time all outstanding borrowings are due and payable.

On January 26, 2012, we executed a second amendment to the Facility to modify the financial covenants. Also, during 2012, we entered into an unfunded Standby Letter of Credit for up to $8.8 million to support a surety bond related to a statutory decommissioning obligation we have in connection with our Billerica facility. The letter of credit decreased the borrowing availability under the Facility by $8.8 million.

On October 11, 2012, we executed a third amendment to the Facility which further modified the financial covenants and certain definitions used to calculate compliance with those covenants. We incurred approximately $0.2 million in fees and expenses associated with this amendment.

On March 25, 2013, we executed a fifth amendment to the Facility which reduced the aggregate borrowing capacity under the Facility from $42.5 million to $35.0 million and further modified the financial covenants and certain definitions used to calculate compliance with those covenants. Interest on the Facility was set at either LIBOR plus 4.75% or the Reference Rate (as defined in the agreement) plus 3.75%. We incurred approximately $0.1 million in fees and expenses associated with this amendment.

The Notes and the Facility contain affirmative and negative covenants, as well as restrictions on the ability of LMI, Lantheus Intermediate and its subsidiaries to: (i) incur additional indebtedness or issue preferred stock; (ii) repay subordinated indebtedness prior to its stated maturity; (iii) pay dividends on, repurchase or make distributions in respect of its capital stock or make other restricted payments; (iv) make certain investments; (v) sell certain assets; (vi) create liens; (vii) consolidate, merge, sell or otherwise dispose of all or substantially all of our assets; and (viii) enter into certain transactions with our affiliates. The Notes contain customary events of default provisions, including payment default and cross-acceleration for non-payment of any outstanding indebtedness, where such indebtedness exceeds $10.0 million. The Facility also contains customary default provisions, and we are required to comply with financial covenants in the Facility including a total leverage ratio and interest

coverage ratio, beginning with the quarter ended September 30, 2010, as well as limitations on the amount of capital expenditures. The financial ratios are determined by the Company's EBITDA (as defined in the Facility), or the Facility EBITDA. The total leverage ratio is the financial covenant that is currently most restrictive.

On January 26, 2012, October 11, 2012 and March 25, 2013, the Company executed amendments to the Facility which revised the financial covenants, certain definitions used to calculate compliance with those covenants and the definition of annualized EBITDA from a trailing twelve month basis to an annualized basis beginning in the first quarter of 2013. The revised financial covenants, as amended, are displayed in the table below.

Revolving Credit Facility Financial Covenants

Period	Total Leverage Ratio	Interest Coverage Ratio
Q3 2012	7.25 to 1.00	1.20 to 1.00
Q4 2012	8.00 to 1.00	1.20 to 1.00
Q1 2013	8.80 to 1.00	1.10 to 1.00
Q2 2013	10.00 to 1.00	1.00 to 1.00
Q3 2013	8.20 to 1.00	1.25 to 1.00
Q4 2013	7.50 to 1.00	1.40 to 1.00
Q1 2014	7.00 to 1.00	1.45 to 1.00
Thereafter	7.00 to 1.00	1.45 to 1.00

As of December 31, 2012, we were in compliance with all applicable financial covenants. As of December 31, 2012 and the date hereof, there were no amounts outstanding under the Facility other than the unfunded Standby Letter of Credit in the amount of $8.8 million. At December 31, 2012, we had $33.7 million of borrowing availability under the Facility. As of the date hereof, we have $26.2 million of borrowing availability under the Facility.

If JHS and BVL are not able to continue to manufacture and release product supply on a timely and consistent basis, or we are unable to continue to grow DEFINITY sales, then we will need to implement certain additional expense reductions, such as a delay or elimination of discretionary spending in all functional areas, as well as other operating and strategic initiatives. See "Item 1A—Risk Factors—We may not be able to generate sufficient cash flow to meet our debt service obligations."

On March 20, 2012, pursuant to our new contractual relationship with BVL, we terminated the 2008 Agreement and entered into the Settlement Agreement, the Transition Services Agreement and the Manufacturing and Service Contract. In the Settlement Agreement, BVL and we agreed to a broad mutual waiver and release for all matters that occurred prior to the date of the Settlement Agreement, a covenant not to sue and a settlement payment for us in the amount of $30.0 million. We also received from BVL weekly payments in the aggregate amount of $5.0 million under the Transition Services Agreement. We used this $35.0 million of proceeds for working capital purposes.

On December 27, 2012, we entered into a second amendment to a license and supply agreement with one of our customers, which extended the term from December 31, 2012 to December 31, 2014 and established new pricing and purchase requirements over the extended term. The second amendment also provided for the supply of TechneLite generators containing molybdenum-99 sourced from LEU targets. The agreement includes a $3.0 million upfront payment by our customer to us and potential future milestone payments. During 2012, we received the $3.0 million upfront payment, of which $1.5 million is included in deferred revenue as a current liability and $1.5 million is included in other long-term liabilities at December 31, 2012. We are recognizing the upfront payment as revenue on a straight-line basis over the term of the two year agreement. The milestone payments are contingent upon us continuing to supply the customer with certain product.

We may from time to time repurchase or otherwise retire our debt and take other steps to reduce our debt or otherwise improve our balance sheet. These actions may include open market repurchases of any notes outstanding, prepayments of our term loans or other retirements or refinancing of outstanding debt. The amount of debt that may be repurchased or otherwise retired, if any, would be decided upon at the sole discretion of our Board of Directors and will depend on market conditions, trading levels of our debt from time to time, our cash position and other considerations.

Funding Requirements

Our future capital requirements will depend on many factors, including:

- our ability to have product manufactured and released from JHS, BVL and other manufacturing sites in the future;
- the level of product sales of our currently marketed products, particularly DEFINITY, and any additional products that we may market in the future;
- the scope, progress, results and costs of development activities for our current development candidates and whether we obtain partners to help share such development costs;
- the costs, timing and outcome of regulatory review of our development candidates;
- the number of, and development requirements for, additional development candidates that we pursue;
- the costs of commercialization activities, including product marketing, sales and distribution and whether we obtain partners to help share such commercialization costs;
- the costs and timing of establishing manufacturing and supply arrangements for clinical and commercial supplies of our development candidates and products;
- the extent to which we acquire or invest in products, businesses and technologies;
- the extent to which we choose to establish collaboration, co-promotion, distribution or other similar arrangements for our marketed products and development candidates;
- the legal costs relating to maintaining, expanding and enforcing our intellectual property portfolio, pursuing insurance or other claims and defending against product liability, regulatory compliance or other claims;
- the cost of interest on any additional borrowings which we may incur under our financing arrangements.

If our capital resources become insufficient to meet our future capital requirements, we would need to finance our cash needs through public or private equity offerings, asset securitizations, debt financings, sale-leasebacks or other financing or strategic alternatives, to the extent such transactions are permissible under the covenants of the Facility and the Indenture. Additional equity or debt financing, or other transactions, may not be available on acceptable terms, if at all. If any of these transactions require an amendment or waiver under the covenants in the Facility and under the Indenture, which could result in additional expenses associated with obtaining the amendment or waiver, we will seek to obtain such a waiver to remain in compliance with the covenants of the Facility and the Indenture. However, we cannot be assured that such an amendment or waiver would be granted, or that additional capital will be available on acceptable terms, if at all.

Our only current committed external source of funds is borrowing availability under the Facility. We generated a net loss of $42.0 million during the year ended December 31, 2012 and had $31.6 million of cash and cash equivalents at December 31, 2012. In March 2013, we began to implement a strategic shift in how we will fund our important R&D programs. We will reduce over

time our internal R&D resources while at the same time we seek to engage strategic partners to assist us in the further development and commercialization of our important development candidates, including flurpiridaz F 18, 18F LMI 1195 and LMI 1174. Based on our current operating plans, we believe that our existing cash and cash equivalents, results of operations and availability under the Facility will be sufficient to continue to fund our liquidity requirements for at least the next twelve months. However, if JHS and BVL are not able to continue to manufacture and release adequate product supply on a timely and consistent basis, or we are unable to continue to grow DEFINITY sales, then we will need to implement additional expense reductions, such as a delay or elimination of discretionary spending in all functions as well as other operating and strategic initiatives.

Contractual Obligations

Contractual obligations represent future cash commitments and liabilities under agreements with third parties and exclude contingent contractual liabilities for which we cannot reasonably predict future payment, including contingencies related to potential future development, financing, certain suppliers, contingent royalty payments and/or scientific, regulatory, or commercial milestone payments under development agreements. The following table summarizes our contractual obligations as of December 31, 2012:

	Payments Due by Period				
	Total	Less than 1 Year	1 - 3 Years	3 - 5 Years	More than 5 Years
	(dollars in thousands)				
Debt obligations (principal)	$ 400,000	$ —	$ —	$ 400,000	$ —
Interest on debt obligations	175,500	39,000	78,000	58,500	—
Operating leases(1)	3,725	990	1,553	668	514
Purchase obligations(2)	9,450	9,450	—	—	—
Asset retirement obligation	5,416	—	—	—	5,416
Other long-term liabilities(3)	34,711	—	—	—	34,711
Total contractual obligations	$ 628,802	$ 49,440	$ 79,553	$ 459,168	$ 40,641

(1) Operating leases include minimum payments under leases for our facilities and certain equipment.

(2) Purchase obligations include fixed or minimum payments under manufacturing and service agreements with third-parties.

(3) Due to the uncertainty related to the timing of the reversal of uncertain tax positions, the liability is not subject to fixed payment terms and the amount and timing of payments, if any, which we will make related to this liability are not known.

Off-Balance Sheet Arrangements

Since inception, we have not engaged in any off-balance sheet arrangements, including structured finance, special purpose entities or variable interest entities.

Effects of Inflation

We do not believe that inflation has had a significant impact on our revenues or results of operations since inception. We expect our cost of product sales and other operating expenses will change in the future in line with periodic inflationary changes in price levels. Because we intend to retain and continue to use our property and equipment, we believe that the incremental inflation related to the replacement costs of such items will not materially affect our operations. However, the rate of inflation affects our expenses, such as those for employee compensation and contract services,

which could increase our level of expenses and the rate at which we use our resources. While we generally believe that we will be able to offset the effect of price-level changes by adjusting our product prices and implementing operating efficiencies, any material unfavorable changes in price levels could have a material adverse affect on our financial condition, results of operations and cash flows.

Critical Accounting Policies and Estimates

The discussion and analysis of our financial condition and results of operations are based on our consolidated financial statements, which have been prepared in accordance with GAAP. These financial statements require us to make estimates and judgments that affect our reported assets and liabilities, revenues and expenses, and other financial information. Actual results may differ materially from these estimates under different assumptions and conditions. In addition, our reported financial condition and results of operations could vary due to a change in the application of a particular accounting standard.

We believe the following represent our critical accounting policies and estimates used in the preparation of our financial statements.

Revenue Recognition

Our revenue is generated from the sales of our diagnostic imaging agents to wholesalers, distributors, radiopharmacies and directly to hospitals and clinics. We recognize revenue when evidence of an arrangement exists, title has passed, substantially all the risks and rewards of ownership have transferred to the customer, the selling price is fixed or determinable and collectability is reasonably assured. For transactions for which revenue recognition criteria have not yet been met, the respective amounts are recorded as deferred revenue until such point in time when criteria are met and revenue can be recognized. Revenue is recognized net of reserves, which consist of allowances for returns and sales rebates. The estimates of these allowances are based on historical sales volumes and mix and require assumptions and judgments to be made in order to make such estimates. In the event that the sales mix is different from our estimates, we may be required to pay higher or lower total price adjustments than we previously estimated. Any changes to these estimates are recorded in the current period. In 2012, 2011 and 2010, these changes in estimates were not material to our results.

Revenue arrangements with multiple elements are divided into separate units of accounting if certain criteria are met, including whether the delivered element has stand-alone value to the customer. Supply or service transactions may involve the charge of a nonrefundable initial fee with subsequent periodic payments for future products or services. The up-front fees, even if nonrefundable, are earned (and revenue is recognized) as the products and/or services are delivered and performed over the term of the arrangement.

Inventory

Inventories include material, direct labor and related manufacturing overhead, and are stated at the lower of cost or market determined on a first-in, first-out basis. We record inventory when we take delivery and title to the product. Any commitment for product ordered but not yet received is included as purchase commitments in our contractual obligations table. We assess the recoverability of inventory to determine whether adjustments for impairment are required. Inventory that is in excess of future requirements is written down to its estimated net realizable value-based upon estimates of forecasted demand for our products. The estimates of demand require assumptions to be made of future operating performance and customer demand. If actual demand is less than what has been forecasted by management, additional inventory write downs may be required.

Inventory costs associated with product that has not yet received regulatory approval are capitalized if we believe there is probable future commercial use of the product and future economic benefit of the asset. If future commercial use of the product is not probable, then inventory costs

associated with such product are expensed during the period the costs are incurred. At December 31, 2012, we had $1.5 million of such product costs included in inventories. Subsequent to year end, the contract manufacturer received regulatory approval to manufacture this product. At December 31, 2011, we had no such inventories.

Goodwill, Intangibles and Long-Lived Assets

Goodwill is not amortized, but is instead tested for impairment at least annually and whenever events or circumstances indicate that it is more likely than not that they may be impaired. We have elected to perform the annual test for indications of goodwill impairment as of October 31 of each year.

In performing tests for goodwill impairment, we are first permitted to perform a qualitative assessment about the likelihood of the carrying value of a reporting unit exceeding its fair value. If we determine that it is more likely than not that the fair value of a reporting unit is less than its carrying amount based on the qualitative assessment, we are required to perform the two-step goodwill impairment test described below to identify the potential goodwill impairment and measure the amount of the goodwill impairment loss, if any, to be recognized for that reporting unit. However, if we conclude otherwise based on the qualitative assessment, the two-step goodwill impairment test is not required. The option to perform the qualitative assessment is not an accounting policy election and can be utilized at our discretion. Further, the qualitative assessment need not be applied to all reporting units in a given goodwill impairment test. For an individual reporting unit, if we elect not to perform the qualitative assessment, or if the qualitative assessment indicates that it is more likely than not that the fair value of a reporting unit is less than its carrying amount, then we must perform the two-step goodwill impairment test for the reporting unit. If the implied fair value of goodwill is less than the carrying value, then an impairment charge would be recorded.

In performing the annual goodwill impairment test, we bypassed the option to perform a qualitative assessment and proceeded directly to performing the first step of the two-step goodwill impairment test. We completed our required annual impairment test for goodwill in the fourth quarter of 2012, 2011 and 2010 and determined that at each of those periods the carrying amount of goodwill was not impaired. In each year, our fair value, which includes goodwill, was substantially in excess of our carrying value.

In addition, as a result of the continued supply challenges with BVL, we performed an interim impairment test for goodwill as of December 31, 2011. The interim impairment test did not indicate that there was any impairment as of December 31, 2011. There were no events at December 31, 2012 that triggered an interim impairment test.

We calculate the fair value of our reporting units using the income approach, which utilizes discounted forecasted future cash flows and the market approach which utilizes fair value multiples of comparable publicly traded companies. The discounted cash flows are based on our most recent long-term financial projections and are discounted using a risk adjusted rate of return, which is determined using estimates of market participant risk-adjusted weighted average costs of capital and reflects the risks associated with achieving future cash flows. The market approach is calculated using the guideline company method, where we use market multiples derived from stock prices of companies engaged in the same or similar lines of business. There is not a quoted market price for our reporting units or the company as a whole, therefore, a combination of the two methods is utilized to derive the fair value of the business. We evaluate and weigh the results of these approaches as well as ensure we understand the basis of the results of these two methodologies. We believe the use of these two methodologies ensures a consistent and supportable method of determining our fair value that is consistent with the objective of measuring fair value. If the fair value were to decline, then we may be required to incur material charges relating to the impairment of those assets.

We test intangible and long-lived assets for recoverability whenever events or changes in circumstances suggest that the carrying value of an asset or group of assets may not be recoverable. We measure the recoverability of assets to be held and used by comparing the carrying amount of the asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment equals the amount by which the carrying amount of the assets exceeds the fair value of the assets. Any impairments are recorded as permanent reductions in the carrying amount of the assets. In the first quarter of 2012, we reviewed the estimated useful life of one of our trademarks as a result of a triggering event. Utilizing the most recent forecasted revenue data, we revised the estimate of the remaining useful life of one of our trademarks to five years. We also tested intangible and certain long-lived assets for recoverability as of December 31, 2012 and 2011, which included the most recently available forecast. The analysis indicated that there was no impairment as of December 31, 2012 and 2011. We also evaluated the remaining useful lives of intangible and long-lived assets that were tested for recoverability at December 31, 2012 and determined no revisions were required to the remaining periods of amortization.

Accounting for Stock-Based Compensation

Our employees are eligible to receive awards from our 2008 Equity Plan (as defined below). Our stock-based compensation cost is measured at the grant date based on the fair value of the award and is recognized as expense over the requisite service period, which generally represents the vesting period, and includes an estimate of the awards that will be forfeited. We use the Black Scholes valuation model for estimating the fair value on the date of grant of stock options. The fair value of stock option awards is affected by the valuation assumptions, including the volatility of market participants, expected term of the option, risk-free interest rate and expected dividends as well as the estimated fair value of our common stock. The fair value of our common stock is determined quarterly and each award is approved by our Board of Directors at the fair value in effect as of such award date. Any material change to the assumptions used in estimating the fair value of the options could have a material impact on our results of operations. When a contingent cash settlement of vested options becomes probable, we reclassify the vested awards to a liability and account for any incremental compensation cost in the period in which the settlement becomes probable.

Income Taxes

The provision for income taxes has been determined using the asset and liability approach of accounting for income taxes. The provision for income taxes represents income taxes paid or payable for the current year plus the change in deferred taxes during the year. Deferred taxes result from differences between the financial and tax bases of our assets and liabilities. Deferred tax assets and liabilities are measured using the currently enacted tax rates that apply to taxable income in effect for the years in which those tax attributes are expected to be recovered or paid, and are adjusted for changes in tax rates and tax laws when changes are enacted.

Valuation allowances are recorded to reduce deferred tax assets when it is more likely than not that a tax benefit will not be realized. The assessment of whether or not a valuation allowance is required involves the weighing of both positive and negative evidence concerning both historical and prospective information with greater weight given to evidence that is objectively verifiable. A history of recent losses is negative evidence that is difficult to overcome with positive evidence. In evaluating prospective information there are four sources of taxable income: reversals of taxable temporary differences, items that can be carried back to prior tax years (such as net operating losses), pre-tax income and tax planning strategies. Any tax planning strategies that are considered must be prudent and feasible, and would only be undertaken in order to avoid losing an operating loss carryforward. Adjustments to the deferred tax valuation allowances are made in the period when such assessments are made.

We have a tax indemnification agreement with BMS related to certain contingent tax obligations arising prior to the acquisition of the business from BMS. The tax obligations are recognized in liabilities and the tax indemnification receivable is recognized within other noncurrent assets. The changes in the tax indemnification asset are recognized within other income, net in the statement of income, and the changes in the related liabilities are recorded within the tax provision. Accordingly, as these reserves change, adjustments are included in the tax provision while the offsetting adjustment is included in other income. Assuming that the receivable from BMS continues to be considered recoverable by us, there is no net effect on earnings related to these liabilities and no net cash outflows.

The calculation of our tax liabilities involves certain estimates, assumptions and the application of complex tax regulations in numerous jurisdictions worldwide. Any material change in our estimates or assumptions, or the tax regulations, may have a material impact on our results of operations.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

We are exposed to market risk from changes in interest rates and foreign currency exchange rates. We do not hold or issue financial instruments to reduce these risks or for trading purposes.

Interest Rate Risk

We are subject to interest rate risk in connection with the Facility, which is variable rate indebtedness. Interest rate changes could increase the amount of our interest payments and thus negatively impact our future earnings and cash flows. As of December 31, 2012, there was no amount outstanding under the Facility, other than an $8.8 million unfunded Standby Letter of Credit, which reduces availability to $33.7 million. Any increase in the interest rate under the Facility may have a negative impact on our future earnings to the extent we have outstanding borrowings under the Facility.

Foreign Currency Risk

We face exposure to movements in foreign currency exchange rates whenever we, or any of our subsidiaries, enter into transactions with third parties that are denominated in currencies other than our, or its, functional currency. Intercompany transactions between entities that use different functional currencies also expose us to foreign currency risk. During 2012, 2011 and 2010, the net impact of foreign currency changes on transactions was a loss of $579,000, $156,000 and $209,000, respectively. Historically, we have not used derivative financial instruments or other financial instruments to hedge such economic exposures.

Gross margins of products we manufacture at our U.S. plants and sell in currencies other than the U.S. Dollar are also affected by foreign currency exchange rate movements. Our gross margin on total revenue was 26.1%, 26.7% and 42.4% during the years ended December 31, 2012, 2011 and 2010, respectively. If the U.S. Dollar had been stronger by 1%, 5% or 10%, compared to the actual rates during 2012, our gross margin on total net product sales would have been 26.1%, 26.3% and 26.4%, respectively. If the U.S. Dollar had been stronger by 1%, 5% or 10%, compared to the actual rates during 2011, our gross margin on total net product sales would have been 26.7%, 26.9% and 27.0%, respectively. If the U.S. Dollar had been stronger by 1%, 5% or 10%, compared to the actual rates during 2010, our gross margin on total net product sales would have been 42.4%, 42.6% and 42.9%, respectively.

In addition, a portion of our earnings is generated by our foreign subsidiaries, whose functional currencies are other than the U.S. Dollar. Our earnings could be materially impacted by movements in foreign currency exchange rates upon the translation of the earnings of such subsidiaries into the U.S. Dollar.

If the U.S. Dollar had been uniformly stronger by 1%, 5% or 10%, compared to the actual average exchange rates used to translate the financial results of our foreign subsidiaries, our net product sales and net income for 2012 would have been impacted by approximately the following amounts:

	Approximate Change in Net Revenue	Approximate Change in Net Income
	(dollars in thousands)	
1%	$ (519)	$ 3
5%	(2,593)	17
10%	(5,187)	34

If the U.S. Dollar had been uniformly stronger by 1%, 5% or 10%, compared to the actual average exchange rates used to translate the financial results of our foreign subsidiaries, our net product sales and net income for 2011 would have been impacted by approximately the following amounts:

	Approximate Change in Net Revenue	Approximate Change in Net Income
	(dollars in thousands)	
1%	$ (608)	$ (24)
5%	(3,041)	(118)
10%	(6,082)	(236)

If the U.S. Dollar had been uniformly stronger by 1%, 5% or 10%, compared to the actual average exchange rates used to translate the financial results of our foreign subsidiaries, our net product sales and net income for 2010 would have been impacted by approximately the following amounts:

	Approximate Change in Net Revenue	Approximate Change in Net Income
	(dollars in thousands)	
1%	$ (632)	$ (18)
5%	(3,160)	(92)
10%	(6,320)	(183)

Item 8. Financial Statements and Supplementary Data

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholder of
Lantheus MI Intermediate, Inc.
North Billerica, Massachusetts

We have audited the accompanying consolidated balance sheets of Lantheus MI Intermediate, Inc. and subsidiaries (the "Company") as of December 31, 2012 and 2011, and therelated consolidated statements of comprehensive (loss) income, stockholder's (deficit) equity, and cash flows for each of the three years in the period ended December 31, 2012. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of the Company and subsidiaries as of December 31, 2012 and 2011, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2012, in conformity with accounting principles generally accepted in the United States of America.

/s/ DELOITTE & TOUCHE LLP

Boston, Massachusetts
March 28, 2013

Lantheus MI Intermediate, Inc. and subsidiaries

Consolidated Balance Sheets

(in thousands except share data)	December 31, 2012	December 31, 2011
Assets		
Current assets		
Cash and cash equivalents	$ 31,595	$ 40,607
Accounts receivable, net	41,380	40,000
Inventory	18,048	14,765
Income tax receivable	736	—
Deferred tax assets	115	93
Other current assets	2,943	2,662
Total current assets	94,817	98,127
Property, plant and equipment, net	109,573	112,452
Capitalized software development costs, net	2,234	3,582
Intangibles, net	66,802	82,749
Goodwill	15,714	15,714
Deferred financing costs	11,372	13,141
Due from parent	—	1,286
Other long-term assets	22,414	31,753
Total assets	$ 322,926	$ 358,804
Liabilities and Stockholder's Deficit		
Current liabilities		
Accounts payable	18,945	22,010
Accrued expenses	29,689	20,949
Income tax payable	—	1,482
Deferred revenue	7,320	3,918
Total current liabilities	55,954	48,359
Asset retirement obligations	5,416	4,868
Long-term debt, net	398,822	398,629
Deferred tax liability	435	931
Other long-term liabilities	36,652	39,220
Total liabilities	497,279	492,007
Commitments and contingencies (see Notes 14 and 16)		
Stockholder's deficit		
Common stock ($0.001 par value, 10,000 shares authorized; 1 share issued and outstanding)	—	—
Due from parent	(1,353)	—
Additional paid-in capital	2,325	1,085
Accumulated deficit	(176,660)	(134,659)
Accumulated other comprehensive income	1,335	371
Total stockholder's deficit	(174,353)	(133,203)
Total liabilities and stockholder's deficit	$ 322,926	$ 358,804

See notes to consolidated financial statements.

Lantheus MI Intermediate, Inc. and subsidiaries

Consolidated Statements of Comprehensive (Loss) Income

(in thousands)	Year Ended December 31, 2012	2011	2010
Revenues			
Net product revenues	$ 277,354	$ 345,762	$ 345,747
License and other revenues	10,751	10,530	8,209
Total revenues	288,105	356,292	353,956
Cost of goods sold	211,049	255,466	204,006
Loss on firm purchase commitment	1,859	5,610	—
Total cost of goods sold	212,908	261,076	204,006
Gross profit	75,197	95,216	149,950
Operating expenses			
General and administrative expenses	32,520	32,057	30,042
Sales and marketing expenses	37,437	38,689	45,384
Research and development expenses	40,604	40,945	45,130
Proceeds from manufacturer	(34,614)	—	—
Total operating expenses	75,947	111,691	120,556
Operating (loss) income	(750)	(16,475)	29,394
Interest expense	(42,014)	(37,658)	(20,395)
Loss on early extinguishment of debt	—	—	(3,057)
Interest income	252	333	179
Other (expense) income, net	(44)	1,429	1,314
(Loss) income before income taxes	(42,556)	(52,371)	7,435
Provision (benefit) for income taxes	(555)	84,098	2,465
Net (loss) income	(42,001)	(136,469)	4,970
Foreign currency translation, net of taxes	964	(337)	1,150
Total comprehensive (loss) income	$ (41,037)	$ (136,806)	$ 6,120

See notes to consolidated financial statements.

Lantheus MI Intermediate, Inc. and subsidiaries

Consolidated Statements of Stockholder's (Deficit) Equity

(in thousands, except share data)	Common Stock Shares	Common Stock Amount	Due from Parent	Additional Paid-In Capital	(Accumulated Deficit) Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total Stockholder's (Deficit) Equity
Balance at January 1, 2010	1	$ —	$ —	$ 247,883	$ 63,138	$ (442)	$ 310,579
Dividend paid to LMI Holdings (see Note 10)	—	—	—	(98,078)	(65,698)	—	(163,776)
Net income	—	—	—	—	4,970	—	4,970
Foreign currency translation	—	—	—	—	—	1,150	1,150
Stock-based compensation	—	—	—	511	—	—	511
Balance at December 31, 2010	1	—	—	150,316	2,410	708	153,434
Dividend paid to LMI Holdings (see Note 10)	—	—	—	(149,400)	(600)	—	(150,000)
Net loss	—	—	—	—	(136,469)	—	(136,469)
Foreign currency translation	—	—	—	—	—	(337)	(337)
Stock-based compensation	—	—	—	169	—	—	169
Balance at December 31, 2011	1	—	—	1,085	(134,659)	371	(133,203)
Net loss	—	—	—	—	(42,001)	—	(42,001)
Due from parent (see Note 17)	—	—	(1,353)	—	—	—	(1,353)
Foreign currency translation	—	—	—	—	—	964	964
Stock-based compensation	—	—	—	1,240	—	—	1,240
Balance at December 31, 2012	1	$ —	$(1,353)	$ 2,325	$ (176,660)	$ 1,335	$ (174,353)

See notes to consolidated financial statements.

Lantheus MI Intermediate, Inc. and subsidiaries

Consolidated Statements of Cash Flows

(in thousands)	Year ended December 31, 2012	2011	2010
Cash flow from operating activities			
Net (loss) income	$ (42,001)	$ (136,469)	$ 4,970
Adjustments to reconcile net (loss) income to cash flow from operating activities			
Depreciation	9,722	12,915	11,377
Amortization	17,680	19,847	23,824
Impairment of intangible asset	—	23,474	—
Amortization of debt related costs	2,403	1,554	1,812
Write-off of deferred financing costs	—	—	2,278
Provision for bad debt	(117)	301	—
Provision for excess and obsolete inventory	12,809	29,432	13,814
Stock-based compensation	1,240	(969)	1,634
Deferred income taxes	(428)	81,330	(1,549)
Accretion of asset retirement obligations	553	496	435
Loss on disposal of long-lived assets	285	54	270
Loss on firm purchase commitment	1,859	5,610	—
Long-term income tax receivable	299	(1,122)	1,519
Long-term income tax payable and other long-term liabilities	139	1,533	556
Increase (decrease) in cash from operating assets and liabilities			
Accounts receivable, net	(1,442)	9,466	(7,564)
Prepaid expenses and other current assets	1,304	626	(237)
Inventory	(6,903)	(22,293)	(27,209)
Due from parent	—	(614)	—
Deferred revenue	5,349	(5,995)	(151)
Accounts payable	(2,204)	(1,002)	3,227
Income tax payable	(2,217)	1,353	(1,325)
Accrued expenses and other liabilities	2,193	2,893	(1,364)
Cash provided by operating activities	523	22,420	26,317
Cash flows from investing activities			
Capital expenditures	(7,920)	(7,694)	(8,335)
Purchase of certificate of deposit	(225)	—	—
Acquisition of intangibles	—	—	(215)
Cash used in investing activities	(8,145)	(7,694)	(8,550)
Cash flows from financing activities			
Proceeds from issuance of debt	—	152,250	250,000
Consent solicitation fee	—	(3,750)	—
Payment of term loan	—	—	(93,649)
Payments on note payable	(1,530)	—	—
Deferred financing costs	(442)	(5,491)	(10,125)
Due from parent	(67)	—	—
Proceeds from line of credit	—	10,000	—
Payments on line of credit	—	(10,000)	—
Payment of dividend	—	(150,000)	(163,776)
Cash used in financing activities	(2,039)	(6,991)	(17,550)
Effect of foreign exchange rate on cash	649	(134)	1,309
(Decrease) Increase in cash and cash equivalents	(9,012)	7,601	1,526
Cash and cash equivalents, beginning of year	40,607	33,006	31,480
Cash and cash equivalents, end of year	$ 31,595	$ 40,607	$ 33,006
Supplemental disclosure of cash flow information			
Interest paid	$ 39,020	$ 33,958	$ 15,246
Income taxes paid / (refunded), net	$ 1,146	$ (233)	$ 1,854
Noncash investing and financing activities			
Property, plant and equipment included in accounts payable and accrued expenses	$ 963	$ 1,641	$ 3,163

See notes to consolidated financial statements.

Lantheus MI Intermediate, Inc. and subsidiaries

Notes to Consolidated Financial Statements

Unless the context requires otherwise, references to the "Company," "Lantheus," "our company," "we," "us" and "our" refer to Lantheus MI Intermediate, Inc. and its direct and indirect subsidiaries, references to "Lantheus Intermediate" refer to only Lantheus MI Intermediate, Inc., the parent of Lantheus Medical Imaging, Inc., references to "Holdings" refer to Lantheus MI Holdings, Inc., the parent of Lantheus Intermediate and references to "LMI" refer to Lantheus Medical Imaging, Inc., the subsidiary of Lantheus Intermediate. Solely for convenience, we refer to trademarks, service marks and trade names without the TM, SM and ® symbols. Such references are not intended to indicate, in any way, that we will not assert, to the fullest extent permitted under applicable law, our rights to our trademarks, service marks and trade names.

1. Description of Business

Overview

The Company manufactures, markets, sells and distributes medical imaging products globally with operations in the United States (U.S.), Puerto Rico, Canada and Australia and distribution relationships in Europe, Asia Pacific and Latin America. The Company provides medical imaging products, primarily focused on cardiovascular diagnostic imaging, to nuclear physicians, cardiologists, radiologists, internal medicine physicians, independent delivery networks, group purchasing organizations and technologists/sonographers working in a variety of clinical settings.

The Company's principal products include:

- DEFINITY—an ultrasound contrast agent;
- TechneLite—a generator that provides the radioisotope used to radiolabel Cardiolite and other radiopharmaceuticals;
- Cardiolite—a myocardial perfusion imaging agent; and
- Xenon—a radiopharmaceutical inhaled gas to assess pulmonary function and evaluate blood flow, particularly in the brain.

In the U.S., the Company's nuclear imaging products are primarily distributed through radiopharmacy chains, with a small portion of the sales of these products also made through the Company's direct sales force to hospitals and clinics that maintain their own in-house radiopharmacies. In the U.S., sales of the Company's contrast agents are made through a direct sales force. Outside of the U.S., the Company owns five radiopharmacies in Canada and two radiopharmacies in each of Puerto Rico and Australia. The Company also maintains a direct sales force in each of these countries. In the rest of the world, the Company relies on third-party distributors to sell both nuclear imaging and contrast agent products.

2. Summary of Significant Accounting Policies

Basis of Consolidation and Presentation

The financial statements have been prepared in United States dollars, in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. All intercompany accounts and transactions have been eliminated in consolidation.

The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the discharge of liabilities in the normal course of business.

Lantheus MI Intermediate, Inc. and subsidiaries

Notes to Consolidated Financial Statements (Continued)

2. Summary of Significant Accounting Policies (Continued)

The Company incurred a net loss of $42.0 million and an operating loss of $0.8 million during the year ended December 31, 2012. The Company currently relies on Ben Venue Laboratories ("BVL") as one of two manufacturers of DEFINITY and Cardiolite products and its sole source manufacturer of Neurolite. In July 2010, BVL temporarily shut down the facility in which it manufactures products for a number of customers, including the Company, in order to upgrade the facility to meet certain regulatory requirements. In anticipation of this outage, BVL manufactured for the Company additional inventory of these products to meet the Company's expected needs during the outage period, which was initially anticipated to end in March 2011. Because the outage and restart activities took substantially longer than anticipated by either BVL or the Company, the Company could not meet all of the demand for certain products during the second half of 2011 and the first three quarters of 2012, resulting in an overall revenue decline in comparison to the prior periods. BVL resumed manufacturing DEFINITY in the second quarter of 2012 and released product to the Company at the end of the second quarter of 2012. BVL has also resumed manufacturing Cardiolite products. The Company currently believes that Neurolite will again become available from BVL in the latter half of 2013.

The Company continues to expedite a number of its technology transfer programs to secure and qualify production of its BVL-manufactured products with alternate contract manufacturer sites. In February 2013, the FDA informed the Company that the Jubilant HollisterStier ("JHS") facility was approved to manufacture DEFINITY, and the Company is now shipping JHS-manufactured DEFINITY to customers. The Company also has on-going technology transfer activities at JHS for its Cardiolite product supply and Neurolite but can give no assurances as to when that technology transfer will be completed and when the Company will actually receive supply of Cardiolite products and Neurolite from JHS. In the meantime, the Company also has an alternate manufacturer for a portion of its Cardiolite sales demand. The Company is also pursuing new manufacturing relationships to establish and secure additional long-term or alternative suppliers of its key products but is uncertain of the timing as to when any other supply arrangements would provide meaningful quantities of products to the Company.

During the first quarter of 2012, the Company received $30.0 million from BVL to compensate the Company for its business losses, and BVL and LMI terminated their original manufacturing agreement and entered into (i) the Settlement and Mutual Release Agreement, (ii) the Transition Services Agreement, and (iii) the Manufacturing and Service Contract.

- In the Settlement Agreement, LMI and BVL agreed to a broad mutual waiver and release for all matters that occurred prior to the date of the Settlement Agreement, a covenant not to sue and a payment in the amount of $30.0 million from BVL to compensate LMI for business losses.

- Under the Transition Services Agreement, BVL has manufactured for LMI an initial supply of DEFINITY, Cardiolite, Neurolite and certain TechneLite accessories, and made weekly payments to LMI, in the aggregate of amount of $5.0 million as further compensation for business losses until an agreed-upon supply of LMI's products has been restored.

- Under the Manufacturing and Service Contract, BVL will manufacture for LMI certain amounts of DEFINITY, Cardiolite, Neurolite and certain TechneLite accessories following the initial supply provided under the Transition Services Agreement. The agreement expires on December 31, 2013.

Lantheus MI Intermediate, Inc. and subsidiaries

Notes to Consolidated Financial Statements (Continued)

2. Summary of Significant Accounting Policies (Continued)

The $30.0 million received upon termination of the Company's original manufacturing agreement and the $5.0 million of weekly payments received for additional delays under the Transition Services Agreement in the year ended December 31, 2012, are compensation to the Company for business losses associated with the lack of product supply. As the Company has no remaining obligations associated with the original manufacturing agreement and the price to be paid upon delivery of product under the Transition Services Agreement and Manufacturing and Service Contract are at prices the Company believes are at market prices, the Company has recognized the proceeds as gains within the Company's results of operations. These payments are included within operating income as proceeds from manufacturer. The net proceeds totaled $34.6 million in the statement of comprehensive (loss) income for the year ended December 31, 2012.

To remain competitive in the marketplace, the Company has historically made substantial investments in new product development. The Company has developed plans and taken steps that it believes will enable it to strengthen its operations and meet its operating and financing requirements. In March 2013, the Company began to implement a strategic shift in how it will fund its important R&D programs. The Company will reduce over time its internal R&D resources while at the same time we seek to engage strategic partners to assist it in the further development and commercialization of its important development candidates, including flurpiridaz F 18, 18F LMI 1195 and LMI 1174. The Company will complete its 301 trial for flurpiridaz F 18 with internal funding while seeking to engage strategic partners to assist it with the further development and possible commercialization of the agent. For its other two important development candidates, 18F LMI 1195 and LMI 1174,the Company will also seek to engage strategic partners to assist it with the on-going development activities relating to these agents. The Company expects to internally fund expenses over the next several years for the clinical development of these product candidates as it works with its strategic partners.

In February 2013, the FDA informed the Company that the JHS facility was approved to manufacture DEFINITY, and the Company is now shipping JHS-manufactured DEFINITY to customers.

If JHS and BVL are not able to continue to manufacture and release adequate product supply on a timely and consistent basis, the Company is not successful with the remainder of its JHS technology transfer programs for Cardiolite product and Neurolite and cannot obtain adequate supply from JHS, or the Company is unable to continue to grow DEFINITY sales, then the Company will need to implement additional expense reductions, such as a delay or elimination of discretionary spending, in all functional areas as well as other operating and strategic initiatives.

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. The more significant estimates reflected in the Company's consolidated financial statements include certain judgments regarding revenue recognition, goodwill and intangible asset valuation, inventory valuation and potential losses on purchase commitments, asset retirement obligations, income tax liabilities, deferred tax assets and liabilities, accrued expenses and stock-based compensation. Actual results could materially differ from those estimates or assumptions.

Lantheus MI Intermediate, Inc. and subsidiaries

Notes to Consolidated Financial Statements (Continued)

2. Summary of Significant Accounting Policies (Continued)

Revenue Recognition

The Company recognizes revenue when evidence of an arrangement exists, title has passed, the risks and rewards of ownership have transferred to the customer, the selling price is fixed or determinable, and collectability is reasonably assured. For transactions for which revenue recognition criteria have not yet been met, the respective amounts are recorded as deferred revenue until such point in time the criteria are met and revenue can be recognized. Revenue is recognized net of reserves, which consist of allowances for returns and rebates.

Revenue arrangements with multiple elements are divided into separate units of accounting if certain criteria are met, including whether the delivered element has stand-alone value to the customer. Supply or service transactions may involve the charge of a nonrefundable initial fee with subsequent periodic payments for future products or services. The up-front fees, even if nonrefundable, are earned (and revenue is recognized) as the products and/or services are delivered and performed over the term of the arrangement.

On January 1, 2009, LMI executed an amendment to a license and supply agreement (the "Agreement") with one of its customers, granting non-exclusive U.S. license and supply rights to the customer for the period from January 1, 2009 through December 31, 2012. Under the terms of the Agreement, the customer paid LMI $10.0 million in license fees; $8.0 million of which was received upon execution of the Agreement and $2.0 million of which was received in June 2009 upon delivery of a special license as defined in the Agreement. The Company's product sales under the Agreement are recognized in the same manner as its normal product sales. The Company is recognizing the license fees as revenue on a straight-line basis over the term of the four-year Agreement. The Company recognized $2.5 million in fiscal years 2012, 2011, and 2010 in license fee revenue pursuant to the Agreement.

In February 2012, the Company entered in to the first amendment to the Agreement. The amendment contained obligations for the Company to deliver a specified number of product unit shipments at various prices. Revenue under this arrangement is being recognized at an average selling price as the units are shipped. The Company recognized $12.8 million in revenue pursuant to the first amendment during the year ended December 31, 2012 and at December 31, 2012, had deferred revenue of $5.6 million attributable to units to be shipped. The deferred revenue related to this amendment will be recognized as revenue in the first quarter of 2013 as the remaining units are shipped.

On December 27, 2012, the Company entered into the second amendment to the Agreement, which extended the term from December 31, 2012 to December 31, 2014 and established new pricing and purchase requirements over the extended term. The second amendment also provided for the supply of TechneLite generators containing molybdenum-99 sourced from LEU targets. The agreement includes a $3.0 million upfront payment by the customer to the Company and potential future milestone payments. During 2012, the Company received the $3.0 million upfront payment, of which $1.5 million is included in deferred revenue as a current liability and $1.5 million is included in other long-term liabilities at December 31, 2012 in the accompanying consolidated balance sheets. The Company is recognizing the upfront payment as revenue on a straight-line basis over the term of the two year agreement. The milestone payments are contingent upon LMI continuing to supply the customer with certain product.

Lantheus MI Intermediate, Inc. and subsidiaries

Notes to Consolidated Financial Statements (Continued)

2. Summary of Significant Accounting Policies (Continued)

In addition, the Company had other revenue of $8.3 million, $8.0 million and $5.7 million in fiscal years 2012, 2011 and 2010, respectively. Other revenue primarily represents contract manufacturing services related to one of the Company's products for one customer. The related costs are included in cost of goods sold.

In January 2010, the Company launched a new medical imaging product, Ablavar, which was acquired by the Company in April 2009. Because the Company has not determined that the price is fixed and determinable and due to the inability to reasonably estimate product returns, the Company deferred recognition of $0.1 million and $1.0 million of revenue at December 31, 2012 and 2011, respectively, relating to Ablavar shipments, associated with a distributor arrangement. The corresponding cost has been recorded as inventory as of December 31, 2012 and 2011. The Company is recognizing revenue and the related costs associated with this arrangement on the sell-through method.

Product Returns

The Company provides a reserve for its estimate of sales recorded for which the related products are expected to be returned. The Company does not typically accept product returns unless an over shipment or non-conforming shipment was provided to the customer, or if the product was defective. The Company adjusts its estimate of product returns if it becomes aware of other factors that it believes could significantly impact its expected returns, including product recalls. These factors include its estimate of actual and historical return rates for non-conforming product and open return requests. Historically, the Company's estimates of returns have reasonably approximated actual returns.

Distributor Relationships

Revenue for product sold to distributors is recognized at shipment, unless revenue recognition criteria have not been met. In such instances where collectability cannot be determined or the selling price cannot be reasonably estimated until the distributor has sold through the goods, the Company defers such revenue until such time as the goods have been sold through to the end-user customer, or the selling price can be reasonably estimated based on history of transactions with such distributor.

Rebates and Allowances

Estimates for rebates and allowances represent the Company's estimated obligations under contractual arrangements with third parties. Rebate accruals and allowances are recorded in the same period the related revenue is recognized, resulting in a reduction to product revenue and the establishment of a liability which is included in accrued expenses in the accompanying consolidated balance sheets. These rebates result from performance-based offers that are primarily based on attaining contractually specified sales volumes and growth, Medicaid rebate programs for certain products, administration fees of group purchasing organizations and certain distributor related commissions. The calculation of the accrual for these rebates and allowances is based on an estimate of the third party's buying patterns and the resulting applicable contractual rebate or commission rate(s) to be earned over a contractual period.

The accrual for rebates and allowances was approximately $1.5 million and $1.4 million at December 31, 2012 and 2011, respectively. Rebate and allowance charges against gross revenues totaled $2.8 million, $3.6 million and $3.1 million for the years ended December 31, 2012, 2011 and 2010, respectively.

Lantheus MI Intermediate, Inc. and subsidiaries

Notes to Consolidated Financial Statements (Continued)

2. Summary of Significant Accounting Policies (Continued)

Income Taxes

The Company accounts for income taxes using an asset and liability approach. The provision for income taxes represents income taxes paid or payable for the current year plus the change in deferred taxes during the year. Deferred taxes result from differences between the financial and tax bases of the Company's assets and liabilities. Deferred tax assets and liabilities are measured using the currently enacted tax rates that apply to taxable income in effect for the years in which those tax attributes are expected to be recovered or paid, and are adjusted for changes in tax rates and tax laws when changes are enacted.

Valuation allowances are recorded to reduce deferred tax assets when it is more likely than not that a tax benefit will not be realized. The assessment of whether or not a valuation allowance is required involves the weighing of both positive and negative evidence concerning both historical and prospective information with greater weight given to evidence that is objectively verifiable. A history of recent losses is negative evidence that is difficult to overcome with positive evidence. In evaluating prospective information there are four sources of taxable income: reversals of taxable temporary differences, items that can be carried back to prior tax years (such as net operating losses), pre-tax income, and tax planning strategies. Any tax planning strategies that are considered must be prudent and feasible, and would only be undertaken in order to avoid losing an operating loss carryforward. Adjustments to the deferred tax valuation allowances are made in the period when such assessments are made.

The Company accounts for uncertain tax positions using a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. Differences between tax positions taken in a tax return and amounts recognized in the financial statements are recorded as adjustments to income taxes payable or receivable, or adjustments to deferred taxes, or both. The Company provides disclosure at the end of each annual reporting period on a tabular reconciliation of unrecognized tax benefits. The Company classifies interest and penalties within the provision for income taxes.

Cash and Cash Equivalents

Cash and cash equivalents include savings deposits, certificates of deposit and money market funds that have maturities of three months or less when purchased.

Accounts Receivable

Accounts receivable consist of amounts billed and currently due from customers. The Company maintains an allowance for doubtful accounts for estimated losses. In determining the allowance, consideration includes the probability of recoverability based on past experience and general economic factors. Certain accounts receivable may be fully reserved when specific collection issues are known to exist, such as pending bankruptcy. As of December 31, 2012 and 2011, the Company had allowances for doubtful accounts ofapproximately $0.3 million and $0.5 million, respectively.

Also included in accounts receivable are miscellaneous receivables of approximately $1.7 million and $2.2 million as of December 31, 2012 and 2011, respectively.

Lantheus MI Intermediate, Inc. and subsidiaries

Notes to Consolidated Financial Statements (Continued)

2. Summary of Significant Accounting Policies (Continued)

Concentration of Risks and Limited Suppliers

Financial instruments which potentially subject the Company to concentrations of credit risk consist principally of trade accounts receivable. The Company periodically reviews its accounts receivable for collectability and provides for an allowance for doubtful accounts to the extent that amounts are not expected to be collected. The Company sells primarily to large national distributors, which in turn, may resell the Company's products. There were three customers that represented greater than 10% of the total net accounts receivable balance and net revenue, the majority of which is included in the U.S. segment.

	Accounts Receivable as of December 31,		Revenue for the year ended December 31,		
	2012	2011	2012	2011	2010
Company A	30.7%	16.1%	27.4%	26.5%	26.6%
Company B	8.8%	8.6%	8.4%	8.5%	14.8%
Company C	7.0%	10.0%	11.5%	11.1%	11.6%

The Company's cash and cash equivalents are maintained with various financial institutions.

The Company relies on certain materials used in its development and manufacturing processes, some of which are procured from only one or a few sources. The failure of one of these suppliers to deliver on schedule could delay or interrupt the manufacturing or commercialization process and thereby adversely affect the Company's operating results. In addition, a disruption in the commercial supply of, or a significant increase in, the cost of one of the Company's materials from these sources could have a material adverse effect on the Company's business, financial position and results of operations. In May 2009 until August 2010, Nordion, the Company's largest supplier of molybdenum-99 ("Moly"), a key raw material in the Company's TechneLite product, was affected by a nuclear reactor shutdown. The Company was not fully able to replace all of the quantity of supply it previously received from Nordion, which had a negative impact on the Company's results of operations. As part of the conditions for the relicensing of the NRU reactor through October 2016, the Canadian government has asked Atomic Energy of Canada Limited, or AECL, to shut down the reactor for at least four weeks at least once a year for inspection and maintenance. The scheduled 2012 shutdown period ran from mid-April 2012 until mid-May 2012, and during such period, some of LMI's customers diverted a small amount of business to LMI's competitor, which correspondingly reduced our aggregate orders during the shutdown period. With this diversion, LMI was able to fulfill all customer demand for Moly from other suppliers during the shutdown period. On October 19, 2012 and October 30, 2012, the Company executed amendments to agreements with Nordion and NTP, the Company's Moly suppliers, which extended the contract terms of those agreements to December 31, 2015 and December 31, 2017, respectively.

The Company relies on BVL, one of its two manufacturers of DEFINITY and Cardiolite products and its sole source manufacturer of Neurolite. In July 2010, BVL temporarily shut down the facility in which it manufactures products for a number of customers, including the Company, to upgrade the facility to meet certain regulatory requirements. In anticipation of this shutdown, BVL manufactured for the Company additional inventory of these products to meet the Company's expected needs during the shutdown period which was anticipated to end in March 2011. Because the shutdown and restart

Lantheus MI Intermediate, Inc. and subsidiaries

Notes to Consolidated Financial Statements (Continued)

2. Summary of Significant Accounting Policies (Continued)

activities took substantially longer than anticipated by either BVL or the Company, the Company could not meet all of the demand for certain products during the second half of 2011 and the first three quarters of 2012, resulting in overall revenue decline in comparison to the prior periods. BVL resumed manufacturing DEFINITY in the second quarter of 2012 and released product to the Company at the end of the second quarter of 2012. BVL has also resumed manufacturing Cardiolite products. The Company currently believes that Neurolite will again become available from BVL in the latter half of 2013.

The Company has expedited a number of technology transfer programs to secure and qualify production of the Company's BVL-manufactured products to alternate contract manufacturing sites. In February 2013, the FDA informed the Company that the JHS facility was approved to manufacture DEFINITY, and the Company is now shipping JHS-manufactured DEFINITY to customers. The Company also has on-going technology transfer activities at JHS for its Cardiolite product supply and Neurolite but can give no assurances as to when that technology transfer will be completed and the Company will actually receive supply of Cardiolite products and Neurolite from JHS. In the meantime, the Company also has an alternate manufacturer for Cardiolite. The Company is also pursuing new manufacturing relationships to establish and secure additional long-term or alternative suppliers of its key products, but is uncertain of the timing as to when any other supply arrangements would provide meaningful quantities of product to the Company. There can be no assurance that the Company will be successful in these efforts.

The following table sets forth net product revenues for the Company's products that represented greater than 10% of total net product revenue for the years ended December 31, 2012, 2011 and 2010.

	Year Ended December 31,		
	2012	2011	2010
DEFINITY	18.6%	19.8%	17.3%
TechneLite	41.2%	38.0%	35.3%
Cardiolite	12.6%	19.1%	22.4%
Xenon	10.8%	7.7%	5.8%

Inventory

Inventory includes material, direct labor and related manufacturing overhead, and is stated at the lower of cost or market on a first-in, first-out basis. The Company does have consignment arrangements with certain customers where the Company retains title and the risk of ownership of the inventory, which is included in the Company's inventory balance.

The Company assesses the recoverability of inventory to determine whether adjustments for excess and obsolete inventory are required. Inventory that is in excess of future requirements is written down to its estimated net realizable value based upon forecasted demand for its products. If actual demand is less favorable than what has been forecasted by management, additional inventory write-down may be required.

Inventory costs associated with product that has not yet received regulatory approval are capitalized if the Company believes there is probable future commercial use of the product and future economic benefit of the asset. If future commercial use of the product is not probable, then inventory

Lantheus MI Intermediate, Inc. and subsidiaries

Notes to Consolidated Financial Statements (Continued)

2. Summary of Significant Accounting Policies (Continued)

costs associated with such product are expensed during the period the costs are incurred. At December 31, 2012, we had $1.5 million of such product costs included in inventories relating to DEFINITY that was manufactured by JHS. At December 31, 2011, we had no such inventories. In February 2013, the FDA informed the Company that the JHS facility was approved to manufacture DEFINITY, and the Company is now shipping JHS-manufactured DEFINITY to customers.

Property, Plant and Equipment

Property, plant and equipment are stated at cost. Replacements of major units of property are capitalized, and replaced properties are retired. Replacements of minor components of property and repair and maintenance costs are charged to expense as incurred. Depreciation is computed on a straight-line method based on the estimated useful lives of the related assets. The estimated useful lives of the major classes of depreciable assets are as follows:

Buildings	50 years
Land improvements	40 years
Machinery and equipment	3 - 20 years
Furniture and fixtures	15 years
Leasehold improvements	Lesser of lease term or 15 years

Upon retirement or other disposal of property, plant and equipment, the cost and related amount of accumulated depreciation are removed from the asset and accumulated depreciation accounts, respectively. The difference, if any, between the net asset value and the proceeds is included in comprehensive (loss) income.

Capitalized Software Development Costs

Certain costs to obtain internal use software for significant systems projects are capitalized and amortized over the estimated useful life of the software, which ranges from 3 to 5 years. Costs to obtain software for projects that are not significant are expensed as incurred. Capitalized software development costs, net of accumulated amortization, were $2.2 million and $3.6 million at December 31, 2012 and 2011, respectively. Approximately $0.2 million and $1.1 million of software development costs were capitalized in the years ended December 31, 2012 and 2011, respectively. Amortization expense related to the capitalized software was $1.5 million, $1.4 million and $1.3 million for the years ended December 31, 2012, 2011 and 2010, respectively.

Goodwill, Intangibles and Long-Lived Assets

Goodwill is not amortized, but is instead tested for impairment at least annually and whenever events or circumstances indicate that it is more likely than not that they may be impaired. The Company has elected to perform the annual test for indications of goodwill impairment as of October 31 of each year.

In performing tests for goodwill impairment, the Company is first permitted to perform a qualitative assessment about the likelihood of the carrying value of a reporting unit exceeding its fair value. If the Company determines that it is more likely than not that the fair value of a reporting unit is less than its carrying amount based on the qualitative assessment, it is required to perform the two-step goodwill impairment test described below to identify the potential goodwill impairment and

Lantheus MI Intermediate, Inc. and subsidiaries

Notes to Consolidated Financial Statements (Continued)

2. Summary of Significant Accounting Policies (Continued)

measure the amount of the goodwill impairment loss, if any, to be recognized for that reporting unit. However, if the Company concludes otherwise based on the qualitative assessment, the two-step goodwill impairment test is not required. The option to perform the qualitative assessment is not an accounting policy election and can be utilized at the Company's discretion. Further, the qualitative assessment need not be applied to all reporting units in a given goodwill impairment test. For an individual reporting unit, if the Company elects not to perform the qualitative assessment, or if the qualitative assessment indicates that it is more likely than not that the fair value of a reporting unit is less than its carrying amount, then the Company must perform the two- step goodwill impairment test for the reporting unit. If the implied fair value of goodwill is less than the carrying value, then an impairment charge would be recorded.

In performing the annual goodwill impairment test in 2012, the Company bypassed the option to perform a qualitative assessment and proceeded directly to performing the first step of the two-step goodwill impairment test.

The Company calculates the fair value of its reporting units using the income approach which utilizes discounted forecasted future cash flows and the market approach which utilizes fair value multiples of comparable publicly traded companies. The discounted cash flows are based on the Company's most recent long-term financial projections and are discounted using a risk adjusted rate of return which is determined using estimates of market participant risk-adjusted weighted-average costs of capital and reflects the risks associated with achieving future cash flows. The market approach is calculated using the guideline company method, where the Company uses market multiples derived from stock prices of companies engaged in the same or similar lines of business. A combination of the two methods is utilized to derive the fair value of the business in order to decrease the inherent risk associated with each model if used independently. If the fair value were to decline, the Company may be required to incur material charges relating to the impairment of goodwill. The Company did not identify any impairment in goodwill in 2012, 2011 or 2010. Goodwill is not deductible for tax purposes.

In addition, as a result of the continued supply challenges with BVL, the Company performed an interim impairment test of goodwill as of December 31, 2011. The analyses utilizedthe most recently available forecast information, which considered the potential impact of the continued supply challenges in 2011. The interim impairment test did not indicate that there was any impairment as of December 31, 2011. There were no events between October 31, 2012 and December 31, 2012 that triggered an interim impairment test.

The Company tests intangible and long-lived assets for recoverability whenever events or changes in circumstances suggest that the carrying value of an asset or group of assets may not be recoverable. The Company measures the recoverability of assets to be held and used by comparing the carrying amount of the asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment equals the amount by which the carrying amount of the assets exceeds the fair value of the assets. Any impairments are recorded as permanent reductions in the carrying amount of the assets. In the first quarter of 2012, the Company reviewed the estimated useful life of one the Company's trademarks as a result of a triggering event. Utilizing the most recent forecasted revenue data, the Company revised the estimate of the remaining useful life of one of the Company's trademarks to five years. The Company also tested intangible and certain long-lived assets for recoverability as of December 31, 2012 and 2011, which included the most recently available information as toBVL's return to service date and the technology transfer schedule for a

Lantheus MI Intermediate, Inc. and subsidiaries

Notes to Consolidated Financial Statements (Continued)

2. Summary of Significant Accounting Policies (Continued)

certain product. The analyses indicated that there was no impairment as of December 31, 2012 and 2011. The Company also evaluated the remaining useful lives of intangible and long-lived assets that were tested for recoverability at December 31, 2012 and determined no revisions were required to the remaining periods of amortization.

Intangible assets, consisting of patents, trademarks and customer relationships related to the Company's products are amortized in a method equivalent to the estimated utilization of the economic benefit of the asset. Trademarks and patents are amortized on a straight-line basis and customer relationships are amortized on an accelerated basis.

Deferred Financing Costs

Deferred financing costs are capitalized and amortized to interest expense using the effective interest method. As of December 31, 2012 and 2011, the unamortized deferred financing costs were $11.4 million and $13.1 million, respectively. The expense associated with the amortization of deferred financing costs was $2.2 million, $1.4 million and $1.8 million for the years ended December 31, 2012, 2011 and 2010, respectively, and was included in interest expense. In connection with the Company's refinancing in the second quarter of 2010, a write-off of existing deferred financing costs of $2.3 million was recorded. These charges were also included in interest expense.

Contingencies

In the normal course of business, the Company is subject to loss contingencies, such as legal proceedings and claims arising out of its business, that cover a wide range of matters, including, among others, product and environmental liability. The Company records accruals for such loss contingencies when it is probable that a liability will be incurred and the amount of loss can be reasonably estimated. The Company does not recognize gain contingencies until realized.

Fair Value of Financial Instruments

The estimated fair values of the Company's financial instruments, including its cash and cash equivalents, receivables, accounts payable and accrued expenses approximate the carrying values of these instruments due to their short term nature. The estimated fair value of the debt, at December 31, 2012, based on Level 2 inputs of recent market activity available to the Company was $380.0 million compared to the face value of $400.0 million. At December 31, 2011, the estimated fair value of the debt based on borrowing rates available to the Company for similar debt was $320.0 million compared to the face value of $400.0 million.

Shipping and Handling Revenues and Costs

The Company typically does not charge customers for shipping and handling costs. Shipping and handling costs are included in cost of goods sold and were $20.4 million, $20.3 million and $16.6 million for the years ended December 31, 2012, 2011 and 2010, respectively.

Lantheus MI Intermediate, Inc. and subsidiaries

Notes to Consolidated Financial Statements (Continued)

2. Summary of Significant Accounting Policies (Continued)

Advertising and Promotion Costs

Advertising and promotion costs are expensed as incurred and totaled $3.2 million, $4.1 million and $4.2 million for the years ended December 31, 2012, 2011 and 2010, respectively, and are included in sales and marketing expenses.

Research and Development

Research and development costs are expensed as incurred and relate primarily to the development of new products to add to the Company's portfolio and costs related to its medical affairs and medical information functions. Nonrefundable advance payments for goods or services that will be used or rendered for future research and development activities are deferred and recognized as an expense as the goods are delivered or the related services are performed.

Foreign Currency Translation

The consolidated statements of comprehensive (loss) income of the Company's foreign subsidiaries are translated into U.S. Dollars using average exchange rates. The net assets of the Company's foreign subsidiaries are translated into U.S. Dollars using the end of period exchange rates. The impact from translating the net assets of these subsidiaries at changing rates are recorded in the foreign currency translation adjustment account, which is included in consolidated accumulated other comprehensive income (loss).

For the years ended December 31, 2012, 2011 and 2010, losses arising from foreign currency transactions totaled approximately $0.6 million, $0.2 million and $0.2 million, respectively. Transaction gains and losses are reported as a component of other income, net.

Accounting for Stock-Based Compensation

The Company's stock-based compensation cost is measured at the grant date of the stock-based award based on the fair value of the award and is recognized as expense over the requisite service period, which generally represents the vesting period, and includes an estimate of the awards that will be forfeited. The Company uses the Black-Scholes valuation model for estimating the fair value of stock options. The fair value of stock option awards is affected by the valuation assumptions, including the expected volatility based on comparable market participants, expected term of the option, risk-free interest rate and expected dividends. When a contingent cash settlement of vested options becomes probable, the Company reclassifies its vested awards to a liability and accounts for any incremental compensation cost in the period in which the settlement becomes probable.

Accumulated Other Comprehensive (Loss) Income

Comprehensive (loss) income is comprised of net (loss) income, plus all changes in equity of a business enterprise during a period from transactions and other events and circumstances from non-owner sources, including any foreign currency translation adjustments. These changes in equity are recorded as adjustments to accumulated other comprehensive (loss) income in the Company's consolidated balance sheet. The components of accumulated other comprehensive income (loss) consist of foreign currency translation adjustments.

Lantheus MI Intermediate, Inc. and subsidiaries

Notes to Consolidated Financial Statements (Continued)

2. Summary of Significant Accounting Policies (Continued)

Asset Retirement Obligations

The Company's compliance with federal, state, local and foreign environmental laws and regulations may require it to remove or mitigate the effects of the disposal or release of chemical substances in jurisdictions where it does business or maintains properties. The Company establishes accruals when such costs are probable and can be reasonably estimated. Accrual amounts are estimated based on currently available information, regulatory requirements, remediation strategies, historical experience, the relative shares of the total remediation costs and a relevant discount rate, when the time periods of estimated costs can be reasonably predicted. Changes in these assumptions could impact the Company's future reported results. The amounts recorded for asset retirement obligations in the accompanying balance sheets at December 31, 2012 and 2011 were $5.4 million and $4.9 million, respectively.

Self Insurance Reserves

The Company's consolidated balance sheet at December 31, 2012 and 2011 includes approximately $0.5 million and $0.6 million, respectively, of accrued liabilities associated with employee medical costs that are retained by the Company. The Company estimates the required liability of such claims on an undiscounted basis based upon various assumptions which include, but are not limited to, the Company's historical loss experience and projected loss development factors. The required liability is also subject to adjustment in the future based upon changes in claims experience, including changes in the number of incidents (frequency) and change in the ultimate cost per incident (severity). The Company also maintains a separate cash account to fund these medical claims and must maintain a minimum balance as determined by the plan administrator. The balance of this restricted cash account was approximately $27,000 and $0.1 million at December 31, 2012 and 2011, respectively, and is included in other current assets.

3. Fair Value of Financial Instruments

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In order to increase consistency and comparability in fair value measurements, financial instruments are categorized based on a hierarchy that prioritizes observable and unobservable inputs used to measure fair value into three broad levels, which are described below:

Level 1—Inputs are unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date.

Level 2—Inputs include quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability (i.e., interest rates, yield curves, etc.) and inputs that are derived principally from or corroborated by observable market data by correlation or other means (market corroborated inputs).

Level 3—Unobservable inputs that reflect a Company's estimates about the assumptions that market participants would use in pricing the asset or liability. The Company develops these inputs based on the best information available, including its own data.

At December 31, 2012 and 2011, the Company's financial assets that are measured at fair value on a recurring basis are comprised of money market securities and are classified as cash equivalents. The

Lantheus MI Intermediate, Inc. and subsidiaries

Notes to Consolidated Financial Statements (Continued)

3. Fair Value of Financial Instruments (Continued)

Company invests excess cash from its operating cash accounts in overnight investments and reflects these amounts in cash and cash equivalents on the consolidated balance sheet using quoted prices in active markets for identical assets (Level 1).

The tables below present information about the Company's assets and liabilities that are measured at fair value on a recurring basis as of December 31, 2012 and 2011:

(in thousands)	Total fair value at December 31, 2012	Quoted prices in active markets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Money market	$ 2,004	$ 2,004	$ —	$ —
Certificates of deposit—restricted	328	—	328	—
	$ 2,332	$ 2,004	$ 328	$ —

(in thousands)	Total fair value at December 31, 2011	Quoted prices in active markets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Money market	$ 6,024	$ 6,024	$ —	$ —
	$ 6,024	$ 6,024	$ —	$ —

In the first quarter of 2012, the Company invested $0.2 million in a certificate of deposit in which the Company's use of such cash is restricted and is included in the line item "Certificates of deposit—restricted" above. This investment is classified in other current assets on the consolidated balance sheet. The remaining $0.1 million represents a certificate of deposit that is collateral for a long-term lease and is included in other long-term assets on the consolidated balance sheet. Certificates of deposit are classified within Level 2 of the fair value hierarchy as these are not traded on the open market.

At December 31, 2012, the Company had total cash and cash equivalents of $31.6 million, which included approximately $2.0 million of money market funds and $29.6 million of cash on-hand. At December 31, 2011, the Company had total cash and cash equivalents of $40.6 million, which included approximately $6.0 million of money market funds and $34.6 million of cash on-hand.

The estimated fair values of the Company's financial instruments, including its cash and cash equivalents, receivables, accounts payable and accrued expenses approximate the carrying values of these instruments due to their short term nature. The estimated fair value of the debt, at December 31, 2012, based on Level 2 inputs of recent market activity available to the Company was $380.0 million compared to the face value of $400.0 million. At December 31, 2011, the estimated fair value of the debt based on borrowing rates available to the company for similar debt was $320.0 million compared to the face value of $400.0 million.

Lantheus MI Intermediate, Inc. and subsidiaries

Notes to Consolidated Financial Statements (Continued)

4. Income Taxes

The components of (loss) income before income taxes for the years ended December 31 were:

(in thousands)	2012	2011	2010
United States	$ (43,868)	$ (55,658)	$ 2,316
International	1,312	3,287	5,119
	$ (42,556)	$ (52,371)	$ 7,435

The provision (benefit) for income taxes as of December 31 was:

(in thousands)	2012	2011	2010
Current			
Federal	$ (3,508)	$ (41)	$ 768
State	2,763	2,607	1,649
International	618	202	1,602
	$ (127)	$ 2,768	$ 4,019
Deferred			
Federal	$ 200	$ 75,939	$ (184)
State	—	6,326	(1,270)
International	(628)	(935)	(100)
	(428)	81,330	(1,554)
	$ (555)	$ 84,098	$ 2,465

The Company's provision (benefit) for income taxes in the years ended December 31, 2012, 2011 and 2010 was different from the amount computed by applying the statutory U.S. Federal income tax rate to (loss) income from operations before income taxes, as a result of the following:

(in thousands)	2012		2011		2010	
U.S. statutory rate	$ (14,895)	35.0%	$ (18,331)	35.0%	$ 2,602	35.0%
Permanent items and foreign tax credits	(1,200)	2.8%	(363)	0.7%	277	3.7%
Uncertain tax positions	(1,404)	3.3%	1,148	(2.2)%	2,685	36.1%
Research credits	—	—	(910)	1.7%	(666)	(9.0)%
State and local taxes	(1,821)	4.3%	(1,815)	3.5%	53	0.7%
Impact of rate change on deferred taxes	(974)	2.3%	(393)	0.7%	(308)	(4.1)%
Utilization of net operating losses	—	—	—	—	(339)	(4.6)%
True-up of prior year tax	(49)	0.1%	33	(0.1)%	(1,311)	(17.6)%
Foreign tax rate differential	(455)	1.1%	(584)	1.1%	(528)	(7.1)%
Valuation allowance	20,243	(47.6)%	102,692	(196.1)%	—	—
Tax on repatriation	—	—	2,600	(5.0)%	—	—
Other	—	—	21	—%	—	—
	$ (555)	1.3%	$ 84,098	(160.7)%	$ 2,465	33.1%

Lantheus MI Intermediate, Inc. and subsidiaries

Notes to Consolidated Financial Statements (Continued)

4. Income Taxes (Continued)

The components of deferred income tax assets (liabilities) at December 31 were:

(in thousands)	2012	2011
Deferred Tax Assets		
Federal benefit of state taxes payable	$ 10,926	$ 10,311
Reserves, accruals and other	33,977	29,019
Capitalized research and development	22,320	9,536
Amortization of intangibles other than goodwill	61,131	74,744
Net operating loss carryforwards	7,851	1,381
Deferred tax assets	136,205	124,991
Deferred Tax Liabilities		
Reserves, accruals and other	(1,125)	(6,457)
Customer relationships	(10,274)	(12,935)
Depreciation	(2,191)	(3,745)
Deferred tax liability	(13,590)	(23,137)
Less: Valuation allowance	(122,935)	(102,692)
	$ (320)	$ (838)

	2012	2011
Recorded in the accompanying consolidated balance sheet as:		
Current deferred tax assets	$ 115	$ 93
Noncurrent deferred tax liability	(435)	(931)
Net deferred tax liabilities	$ (320)	$ (838)

The Company files separate federal income tax returns for Lantheus MI Intermediate, Inc. and Lantheus Medical Imaging, Inc. For state tax purposes, the Company files combined tax returns with Lantheus MI Holdings, Inc. For income tax provision purposes, the Company uses the separate return method in calculating its state tax provision. As of December 31, 2012 and December 31, 2011, the Company reflects an amount payable to Lantheus MI Holdings of $85,000, respectively, for the tax benefit of losses incurred by Lantheus MI Holdings, which is included in due from parent on the consolidated balance sheets.

The Company is currently under audit in the state of Florida for corporate income taxes. Tax years 2009-2012 remain open in the US and are open from 2008-2012 for all other jurisdictions. During the fourth quarter of 2012, the Company was contacted by several state tax jurisdictions relating to tax matters that would be subject to the Bristol-Myers Squibb Company ("BMS") indemnification agreement. It is not certain as to how these matters will be resolved. The effect on the Company's financial statements should be neutral as any changes to the Company's income tax provision will be offset by other income or expense as described below.

As of December 31, 2012 and 2011, total liabilities for tax obligations and associated interest and penalties were $34.7 million and $34.6 million, respectively, consisting of income tax provisions for uncertain tax benefits of $15.4 million and $17.0 million, interest accruals of $16.5 million and

Lantheus MI Intermediate, Inc. and subsidiaries

Notes to Consolidated Financial Statements (Continued)

4. Income Taxes (Continued)

$14.4 million and penalty accruals of $2.8 million and $3.2 million, respectively, which were included in other long-term liabilities on the consolidated balance sheets with the offsetting asset in other long-term assets. The total noncurrent asset related to the indemnification was $18.5 million and $18.8 million as of December 31, 2012 and 2011, respectively. Included in the 2012, 2011 and 2010 tax provision is $2.6 million, $2.4 million and $2.4 million, respectively, relating to current year interest expense, with an offsetting amount included in other income due to the indemnification related to these obligations.

A reconciliation of the Company's changes in uncertain tax positions for 2012, 2011 and 2010 is as follows:

(in thousands)	
Beginning balance of uncertain tax positions as of January 1, 2010	$ 18,816
Additions related to current year tax positions	1,194
Reductions related to prior year tax positions	(3,951)
Balance of uncertain tax positions as of December 31, 2010	16,059
Additions related to current year tax positions	195
Reductions related to prior year tax positions	(876)
Balance of uncertain tax positions as of December 31, 2011	15,378
Additions related to current year tax positions	301
Reductions related to prior year tax positions	—
Settlements	(651)
Lapse of statute of limitations	(1,122)
Balance of uncertain tax positions as of December 31, 2012	$ 13,906

As of December 31, 2012 and 2011, the total amount of unrecognized tax benefits was $13.9 million and $15.4 million, respectively, all of which would affect the effective tax rate, if recognized. These amounts are primarily associated with domestic state tax issues, such as the allocation of income among various state tax jurisdictions, transfer pricing and U.S. federal R&D credits. Since the Company operates in a number of countries in which it has income tax treaties, it believes that it is more-likely-than-not that the Company should be able to receive competent authority relief for potential adjustments in those countries. Included in the Company's uncertain tax positions for transfer pricing exposures are $2.7 million, which is reflected within other long-term liabilities, and an offset of $1.5 million, which is reflected in other long-term assets. The tabular rollforward reflected above is net of the $1.5 million of competent authority relief.

The statute of limitations for the 2008 U.S. tax return expired during 2012. As a result, the Company has recognized the benefit associated with the reversal of uncertain tax positions of $1.6 million and taxes payable of $2.3 million. Included in other expense is $1.3 million relating to the reduction in the indemnification receivable from BMS. Within the next twelve months, unrecognized tax benefits of $1.4 million associated with transfer pricing may be recognized due to the closing of the statute of limitations.

In accordance with the Company's acquisition of the medical imaging business from BMS in 2008, the Company obtained a tax indemnification agreement with BMS related to certain tax obligations arising prior to the acquisition of the Company, for which the Company has the primary legal

Lantheus MI Intermediate, Inc. and subsidiaries

Notes to Consolidated Financial Statements (Continued)

4. Income Taxes (Continued)

obligation. The tax indemnification receivable is recognized within other noncurrent assets. The changes in the tax indemnification asset are recognized within other income, net in the consolidated statement of comprehensive (loss) income. In accordance with the Company's accounting policy, the change in the tax liability and penalties and interest associated with these obligations (net of any offsetting federal or state benefit) is recognized within the tax provision. Accordingly, as these reserves change, adjustments are included in the tax provision while the offsetting adjustment is included in other income. Assuming that the receivable from BMS continues to be considered recoverable by the Company, there is no net effect on earnings related to these liabilities and no net cash outflows.

During the years ended December 31, 2012 and 2011, BMS, on behalf of the Company, made payments totaling $0.7 million and $0.3 million, respectively, to a number of states in connection with prior year state income tax filings. As a result of these payments, the amount due from BMS, included within other long-term assets, and the related income tax liability included within other long-term liabilities, decreased by $0.7 million and $0.5 million, respectively, which represents the total cash payments of $0.7 million and $0.3 million, in 2012 and 2011, respectively, and a reduction in the reserve of $0 and $0.2 million, respectively, representing the difference between amounts paid and amounts originally estimated.

Undistributed earnings of the foreign subsidiaries, Australia, Canada and Puerto Rico, aggregated to $2.5 million and $13.0 million at December 31, 2012 and 2011,respectively. At December 31, 2012 and 2011, the Company has recorded a deferred tax liability of $1.1 million and $2.6 million, respectively, relating to the additional tax that would be due in the U.S. upon repatriation of these earnings. Due to anticipated tax losses, the estimated current tax cost is expected to be $0.1 million associated with foreign withholding taxes.

The Company has generated domestic pre-tax losses for the past two years. This loss history demonstrates negative evidence concerning the Company's ability to utilize its domestic gross deferred tax assets. In order to overcome the presumption of recording a valuation allowance against the deferred tax assets, the Company must have sufficient positive evidence that it can generate sufficient taxable income to utilize these deferred tax assets within the carryover or forecast period. Although the Company has no history of expiring net operating losses or other tax attributes, based on the cumulative loss incurred over the three-year period ended December 31, 2012, management determined that the net U.S. deferred tax assets are more-likely-than-not recoverable. As a result of this analysis, the Company continues to maintain a full valuation allowance against its net US deferred tax assets in the amount of $122.9 million and $102.7 million at December 31, 2012 and 2011, respectively.

Lantheus MI Intermediate, Inc. and subsidiaries

Notes to Consolidated Financial Statements (Continued)

4. Income Taxes (Continued)

The following is a reconciliation of the Company's valuation allowance for the years ending December 31, 2012, 2011, and 2010.

Balance at January 1, 2010	$ 339
Charged to provision for income taxes	—
Deductions (use of net operating loss)	(339)
Balance at December 31, 2010	—
Charged to provision for income taxes	102,692
Deductions	—
Balance at December 31, 2011	102,692
Charged to provision for income taxes	20,243
Deductions	—
Balance at December 31, 2012	$ 122,935

At December 31, 2012, the Company has federal and state net operating loss carryovers of $14.9 million, which begin to expire in 2031. The Company has $1.3 million of federal research credits, which begin to expire in 2029. The Company has foreign tax credits of approximately $4.7 million that will begin to expire in 2020. The Company has state research credits of $1.4 million, which will expire between 2023 and 2026. The Company has Massachusetts investment tax credits of approximately $0.4 million, which have no expiration date.

On January 2, 2013, President Obama signed into law the American Taxpayer Relief Act. This law extended, retroactively, various tax provisions including the research credit. Since this law was enacted after the end of the 2012 tax year, the provisions of this law are not reflected in our 2012 income tax provision. The total amount of the 2012 federal research credit is approximately $0.6 million. The effect of this credit will be reflected in the consolidated financial statements in the period the law was enacted.

In 2010, the Company was granted a tax holiday from the Commonwealth of Puerto Rico, which expires on January 1, 2024. This grant provides for a 4% tax rate on activities relating to the operations of the Company's radiopharmacies. This grant is conditioned upon the Company meeting certain employment and investment thresholds. The impact of this tax holiday was to decrease foreign tax by approximately $0.3 million, $0.2 million and $0.2 million in 2012, 2011 and 2010, respectively.

5. Inventory

The Company includes within current assets the amount of inventory that is estimated to be utilized within twelve months. Inventory that will be utilized after twelve months is classified within other long-term assets.

Lantheus MI Intermediate, Inc. and subsidiaries

Notes to Consolidated Financial Statements (Continued)

5. Inventory (Continued)

Inventory, classified in inventory or other long-term assets, consisted of the following:

(in thousands)	December 31, 2012	December 31, 2011
Raw materials	$ 7,573	$ 7,755
Work in process	5,019	2,615
Finished goods	5,456	4,395
Inventory	18,048	14,765
Other long-term assets	2,090	11,249
Total	$ 20,138	$ 26,014

At December 31, 2012, inventories reported as other long-term assets included $1.5 million of raw materials and $0.6 million of finished goods. At December 31, 2011, otherlong-term assets included $10.7 million of raw materials and $0.5 million of finished goods.

The Company's Ablavar product was commercially launched in January 2010. The revenues for this product through December 31, 2012 have not been significant. At December 31, 2012 and 2011, the balances of inventory on-hand reflect approximately $2.8 million and $12.2 million, respectively, of finished products and raw materials related to Ablavar. At December 31, 2012 and 2011, approximately $2.1 million and $11.2 million, respectively of Ablavar inventory were included in long-term assets. LMI entered into an agreement with a supplier to provide Active Pharmaceutical Ingredient ("API") and finished products for Ablavar under which LMI is required to purchase future minimum quantities. The supply agreement was amended during October 2011 to extend the term of the agreement from September 30, 2012 until September 30, 2014, reduce the amount of API LMI is obligated to purchase over the term of the agreement, and increase the amount of finished drug product LMI is obligated to purchase over the term of the agreement. At December 31, 2012, the remaining purchase commitment under the amended agreement was approximately $9.4 million. The Company has recorded a contract loss of $7.5 million associated with this future purchase commitment at December 31, 2012. The Company records the inventory when it takes delivery, at which time the Company assumes title and risk of loss.

Prior to the issuance of the June 30, 2011 and December 31, 2011 financial statements, the Company performed an analysis of its expected future sales of its Ablavar product and recorded an inventory write-down to cost of goods sold of $13.5 million and $12.3 million in the second and fourth quarters of 2011, respectively, which represented the cost of Ablavar finished good product and API that the Company does not believe it will be able to sell prior to its expiration. The Company completed updated sales forecasts for Ablavar based on actual sales through June 30, 2011 and December 31, 2011 in consideration of its supply agreement for API. Based on the updated sales forecasts, coupled with the aggregate six-year shelf life of API and finished goods, the Company recorded in cost of goods sold a loss of $1.9 million and $3.7 million in the second and fourth quarters of 2011, respectively, for the loss associated with the portion of the committed purchases of Ablavar product that the Company did not believe it would be able to sell prior to its expiration. Additionally, the Company determined that its write-down of Ablavar inventory during the six months ended June 30, 2011 represented an event that warranted assessment of the intellectual property associated with Ablavar for its recoverability and concluded that the intellectual property was not recoverable and

Lantheus MI Intermediate, Inc. and subsidiaries

Notes to Consolidated Financial Statements (Continued)

5. Inventory (Continued)

in the second quarter of 2011, recorded in cost of goods sold an impairment of this intangible asset of $23.5 million. See Note 8, "Intangibles, net."

Prior to the issuance of the September 30, 2012 financial statements, the Company implemented a reduction in the sales force dedicated to Ablavar. The Company performed an analysis of expected future sales of its Ablavar product, based on an updated sales forecast reflecting the reduction in sales force personnel dedicated to Ablavar, and recorded in the third quarter of 2012, to cost of goods sold, an inventory write-down of $10.6 million and a reserve of $1.9 million associated with the portion of the committed purchases of Ablavar product that the Company does not believe it will sell prior to expiry.

If the Company does not meet its current sales goals or cannot sell the product it has committed to purchase prior to its expiration, the Company could incur additional inventory write-downs and/or losses on its purchase commitments.

6. Property, Plant and Equipment, net

Property, plant and equipment consisted of the following at December 31:

(in thousands)	2012	2011
Land	$ 22,450	$ 22,450
Buildings	64,649	64,029
Machinery, equipment and fixtures	63,503	65,648
Construction in progress	7,331	4,383
Accumulated depreciation	(48,360)	(44,058)
Property, plant and equipment, net	$ 109,573	$ 112,452

Depreciation expense related to property, plant and equipment was $9.7 million, $12.9 million and $11.4 million for the years ended December 31, 2012, 2011and 2010, respectively.

Included within machinery, equipment and fixtures are spare parts of approximately $2.7 million and $2.8 million as of December 31, 2012 and 2011, respectively.Spare parts include replacement parts relating to plant and equipment and are either recognized as an expense when consumed or re-classified and capitalized as part of the related plant and equipment and depreciated over a time period not exceeding the useful life of the related asset.

7. Asset Retirement Obligations

The Company considers the legal obligation to remediate its facilities upon a decommissioning of its radioactive related operations as an asset retirement obligation. The operations of the Company have radioactive production facilities at its North Billerica, Massachusetts and San Juan, Puerto Rico sites.

The fair value of a liability for asset retirement obligations is recognized in the period in which the liability is incurred. The liability is measured at the present value of the obligation when incurred and is adjusted in subsequent periods as accretion expense is recorded. The corresponding asset retirement costs are capitalized as part of the carrying value of the related long-lived assets and depreciated over the asset's useful life.

Lantheus MI Intermediate, Inc. and subsidiaries

Notes to Consolidated Financial Statements (Continued)

7. Asset Retirement Obligations (Continued)

The following is a reconciliation of the Company's asset retirement obligations for the years ended December 31, 2012, 2011 and 2010:

(in thousands)	
Balance at January 1, 2010	$ 3,746
Capitalization	191
Accretion expense	435
Balance at December 31, 2010	4,372
Capitalization	—
Accretion expense	496
Balance at December 31, 2011	4,868
Capitalization	—
Net decrease due to changes in estimated future cash flows	(5)
Accretion expense	553
Balance at December 31, 2012	$ 5,416

8. Intangibles, net

Intangibles, net consisted of the following:

	December 31, 2012				
(in thousands)	Cost	Accumulated amortization	Net	Weighted Average Useful Life	Amortization Method
Trademarks	$ 53,390	$ 20,743	$ 32,647	8 years	Straight-line
Customer relationships	114,000	83,385	30,615	19 years	Accelerated
Other patents	42,780	39,240	3,540	2 years	Straight-line
	$ 210,170	$ 143,368	$ 66,802		

	December 31, 2011				
(in thousands)	Cost	Accumulated amortization	Net	Weighted Average Useful Life	Amortization Method
Trademarks	$ 53,390	$ 13,779	$ 39,611	16 years	Straight-line
Customer relationships	113,480	74,575	38,905	19 years	Accelerated
Other patents	42,780	38,547	4,233	2 years	Straight-line
	$ 209,650	$ 126,901	$ 82,749		

On April 6, 2009, the Company acquired the U.S., Canadian and Australian territory rights to a Gadolinium-based blood pool contrast agent, Ablavar (formerly known as Vasovist), from EPIX Pharmaceuticals for an aggregate purchase price of $32.6 million, including drug product and active pharmaceutical ingredient inventory. Ablavar was approved by the U.S. Food and Drug Administration ("FDA") in December 2008 and commercially launched by the Company in early January 2010 after final FDA approval of its product label. In June 2010, the Company acquired the remaining world

Lantheus MI Intermediate, Inc. and subsidiaries

Notes to Consolidated Financial Statements (Continued)

8. Intangibles, net (Continued)

rights to Ablavar. The Company determined that the write-down of Ablavar inventory in the fourth quarter of 2010 represented an event that warranted assessment of the $24.6 million Ablavar patent portfolio for its recoverability. See Note 5, "Inventory." Based on the Company's estimate of future undiscounted cash flows associated with the Ablavar product as of December 31, 2010, the Company concluded the patent portfolio was recoverable by a narrow margin. During the interim periods subsequent to December 31, 2010, the Company monitored the recoverability of the Ablavar patent portfolio. Prior to the issuance of the Company's June 30, 2011 financial statements, the Company completed an update of its sales forecast based on actual sales results through June 30, 2011 and its forecasted Ablavar sales activity. The Company, using its revised sales forecast, conducted an impairment analysis as of June 30, 2011 and concluded that the estimate of future undiscounted cash flows associated with the Ablavar product did not exceed the carrying amount of the asset and therefore, the asset would need to be written down to its fair value. In order to calculate the fair value of the Ablavar patent portfolio asset, the Company estimated the future discounted cash flows associated with the Ablavar product and as a result of this analysis, recorded an impairment charge of $23.5 million to adjust the carrying value to its fair value of zero. This expense was recorded within cost of goods sold in the accompanying consolidated statement of comprehensive (loss) income.

In the first quarter of 2012, the Company reviewed the estimated useful life of certain of its trademarks. As a result of utilizing the most recent forecasted data, the Company revised its estimate of the remaining useful life of one of its trademarks from eleven to five years, which increased the amortization expense by $3.5 million during the year ended December 31, 2012.

The Company recorded amortization expense for its intangible assets of $16.1 million, $18.5 million and $22.5 million for the years ended December 31, 2012, 2011 and 2010, respectively.

Expected future amortization expense related to the intangible assets is as follows (in thousands):

Years ended December 31,	
2013	$ 14,471
2014	13,183
2015	11,506
2016	10,749
2017	3,731
2018 and thereafter	13,162
	$ 66,802

Lantheus MI Intermediate, Inc. and subsidiaries

Notes to Consolidated Financial Statements (Continued)

9. Accrued Expenses

Accrued expenses are comprised of the following at December 31:

(in thousands)	2012	2011
Compensation and benefits	$ 5,351	$ 5,501
Accrued interest	5,040	4,886
Accrued professional fees	1,628	1,927
Research and development services	3,205	2,100
Freight, distribution and operations	3,633	2,462
Accrued loss on firm purchase commitment	7,469	954
Marketing expense	1,168	1,104
Accrued rebates, discounts and chargebacks	1,542	1,356
Other	653	659
	$ 29,689	$ 20,949

As of December 31, 2012 and 2011, the Company accrued a contract loss of $7.5 million and $5.6 million, respectively, associated with the portion of the committed purchases of Ablavar product from the Company's supplier that the Company did not believe it would sell prior to expiry. At December 31, 2012, $7.5 million was included in accrued expenses. At December 31, 2011, $1.0 million was included in accrued expenses and $4.6 million was included in other long-term liabilities.

On March 1, 2012, the Company took action to reduce its workforce in an effort to reduce costs and increase operating efficiency, which resulted in approximately $0.5 million charge to the consolidated statement of comprehensive (loss) income during the first quarter of 2012. All amounts for severance and other associated costs have been paid as of December 31, 2012.

During October 2012, the Company implemented a reduction in the sales force dedicated to Ablavar, which resulted in a $0.2 million charge to the consolidated statement of comprehensive (loss) income during the fourth quarter of 2012. At December 31, 2012, the amount included in accrued compensation and benefits totaled $48,000.

10. Financing Arrangements

On March 21, 2011, LMI issued $150.0 million of New Restricted Notes. The New Restricted Notes were issued at a price of 101.50% and were issued as additional debt securities under the Indenture pursuant to which LMI previously issued $250.0 million in aggregate principal amount of 9.750% Senior Notes due 2017. The New Restricted Notes were issued with the same terms and conditions as the Senior Notes, except that the New Restricted Notes were subject to a separate registration rights agreement. The New Notes and the Senior Notes, or together, the Notes, vote as one class under the Indenture. As a result of the issuance of the New Restricted Notes, LMI has $400.0 million in aggregate principal amount of Notes outstanding. The Notes bear interest at a rate of 9.750% per year, payable on May 15 and November 15 of each year, beginning May 15, 2011 with respect to the New Restricted Notes. Interest on the Senior Notes accrued from November 15, 2010. The Notes mature on May 15, 2017. The net proceeds of the Senior Notes were used to repay $77.9 million due under LMI's then outstanding credit agreement and to pay a $163.8 million dividend to Holdings to repay a $75.0 million demand note it issued and for Holdings to repurchase $90.0 million of its Series A Preferred Stock at the accreted value. The net proceeds of the New

Lantheus MI Intermediate, Inc. and subsidiaries

Notes to Consolidated Financial Statements (Continued)

10. Financing Arrangements (Continued)

Restricted Notes were used to pay a $150.0 million dividend to Holdings, which it used to fully redeem the balance of its Series A Preferred Stock at the accreted value of $44.0 million and to pay a $106.0 million dividend to the holders of its common securities and stock options. In conjunction with the issuance of the New Restricted Notes, LMI also made a cash payment of $3.75 million to the Holders of the Senior Notes in exchange for the Holders of the Senior Notes consent to amend the Indenture to modify the restricted payments covenant to provide for additional restricted payment capacity in order to accommodate the dividend payment. The premium of $2.25 million and the consent fee of $3.75 million were capitalized and are being amortized over the term of the Notes as an adjustment to interest expense. All of the Notes have been registered with the Securities and Exchange Commission.

Redemption

LMI can redeem the Notes at 100% of the principal amount on May 15, 2016 or thereafter. LMI may also redeem the Notes prior to May 15, 2016 depending on the timing of the redemption during the twelve month period beginning May 15 of each of the years indicated below:

Year	Percentage
2014	104.875%
2015	102.438%
2016	100.000%

In addition, at any time prior to May 15, 2013, LMI may, at its option, redeem up to 35% of the aggregate principal amount of Notes issued at 109.750% of the principal amount thereof, plus accrued and unpaid interest, if any, to, but not including, the redemption date, subject to the right of holders of record on such date to receive any interest due, using proceeds of an equity offering, provided that at least 65% of the aggregate principal amount of the Notes remains outstanding immediately after such redemption and that such redemption occurs within 90 days of each equity offering (as defined in the Indenture).

At any time prior to May 15, 2014, LMI may also redeem all or any part of the Notes, with notice, at a redemption price equal to 100% of the principal amount thereof of the Notes redeemed plus the applicable premium (as defined in the Indenture) as of, and accrued and unpaid interest and additional interest (as defined in the Indenture), if any, to, but not including, the redemption date, subject to the rights of holders of record on the relevant record date to receive interest due on the relevant interest payment date.

Upon a change of control (as defined in the Indenture), LMI will be required to make an offer to purchase each holder's Note at a price of 101% of the principal amount thereof, plus accrued and unpaid interest, if any, to the date of purchase.

If LMI or its subsidiaries engage in asset sales (as defined in the Indenture), they generally must either invest the net cash proceeds from such sales in such business within a specified period of time, prepay certain indebtedness or make an offer to purchase a principal amount of the Notes equal to the excess net cash proceeds (as defined in the Indenture), subject to certain exceptions.

The Notes are unsecured and are equal in right of payment to all of the existing and future senior debt, including borrowings under its secured credit facilities, subject to the security interest thereof.

Lantheus MI Intermediate, Inc. and subsidiaries

Notes to Consolidated Financial Statements (Continued)

10. Financing Arrangements (Continued)

LMI's obligations under the Notes are fully and unconditionally guaranteed, jointly and severally, on an unsecured senior basis by Lantheus Intermediate and by certain of LMI's subsidiaries, and the obligations of such guarantors under their guarantees are equal in right of payment to all of their existing and future senior debt.

Revolving Line of Credit

In connection with the issuance of the New Restricted Notes and subsequently thereafter, certain covenants and interest rates under LMI's original $42.5 million revolving facility (the "Facility") were modified as disclosed below, including as of March 25, 2013 a reduction of committed availability for total borrowings under the Facility to $35 million. The Facility contains an unused line of credit fee of 0.75%, which is payable quarterly. The Facility expires on May 10, 2014, at which time all outstanding borrowings are due and payable.

At December 31, 2012 and 2011, there was no outstanding balance under the Facility, other than the $8.8 million unfunded Standby Letter of Credit, and the aggregate borrowing capacity at the time was $33.7 million and $42.5 million, respectively.

On February 3, 2012, the Company entered into an unfunded Standby Letter of Credit for up to $4.4 million. On April 11, 2012, the unfunded Standby Letter of Credit was increased to $8.8 million, which decreased the borrowing availability under the Facility to an aggregate of $33.7 million. The unfunded Standby Letter of Credit bears interest at an annual rate of 4.00%, which is payable quarterly, and is automatically renewed for a one year period at each anniversary date, unless the Company elects not to renew in writing within 60 days prior to such expiration. The unfunded Standby Letter of Credit will expire on February 2, 2014.

Covenants

The Notes and the Facility each contain separate affirmative and negative covenants, as well as restrictions on the ability of Lantheus Intermediate (in the case of the Facility), LMI and LMI's subsidiaries (in the case of the Notes and the Facility), to: (i) incur additional indebtedness or issue preferred stock; (ii) repay subordinated indebtedness prior to its stated maturity; (iii) pay dividends on, repurchase or make distributions in respect of its capital stock or make other restricted payments; (iv) make certain investments; (v) sell certain assets; (vi) create liens; (vii) consolidate, merge, sell or otherwise dispose of all or substantially all of the Company's assets; and (viii) enter into certain transactions with the Company's affiliates. The Notes contain customary events of default provisions, including payment default and cross-acceleration for non-payment of any outstanding indebtedness, where such indebtedness exceeds $10.0 million. The Facility also contains customary default provisions and the Company is required to comply with financial covenants in the Facility including a total leverage ratio and interest coverage ratio, beginning with the quarter ended September 30, 2010, as well as limitations on the amount of capital expenditures. The financial ratios are driven by the Company's earnings before interest, taxes, depreciation and amortization ("EBITDA") and other adjustments as defined in the Facility ("Facility EBITDA"). On January 26, 2012 and October 11, 2012, the Company executed amendments to the Facility which revised the financial covenants, certain definitions used to calculate compliance with those covenants and the definition of annualized EBITDA from a trailing twelve month basis to an annualized basis beginning in the first quarter of 2013. On March 25, 2013, the Company executed an additional amendment to the Facility which, (i) reduced the

Lantheus MI Intermediate, Inc. and subsidiaries

Notes to Consolidated Financial Statements (Continued)

10. Financing Arrangements (Continued)

committed availability for total borrowings under the Facility from $42.5 million to $35 million, (ii) set the interest rate at LIBOR plus 4.75% or the Reference Rate (as defined in the agreement) plus 3.75%, and (iii) further modified the financial covenants and certain definitions used to calculate compliance with those covenants. The revised financial covenants, as amended, are set forth in the table below.

Revolving Credit Facility Financial Covenants

Period	Total Leverage Ratio	Interest Coverage Ratio
Q3 2012	7.25 to 1.00	1.20 to 1.00
Q4 2012	8.00 to 1.00	1.20 to 1.00
Q1 2013	8.80 to 1.00	1.10 to 1.00
Q2 2013	10.0 to 1.00	1.00 to 1.00
Q3 2013	8.20 to 1.00	1.25 to 1.00
Q4 2013	7.50 to 1.00	1.40 to 1.00
Q1 2014	7.00 to 1.00	1.45 to 1.00
Thereafter	7.00 to 1.00	1.45 to 1.00

Financing Costs

LMI incurred and capitalized approximately $15.6 million in direct financing fees including $5.2 million associated with the New Restricted Notes issued in March 2011, consisting primarily of underwriting fees and expenses, consent solicitation fee, legal fees, accounting fees and printing costs in connection with the issuance of the New Restricted Notes, the Existing Notes and the Facility. Deferred financing costs are being amortized over the life of the Notes and the Facility, as appropriate, using the effective interest method and are included in interest expense in the accompanying consolidated statements of comprehensive (loss) income.

In connection with the January 26, 2012 and October 11, 2012 amendments to the Facility, LMI incurred approximately $0.2 million in fees and expenses associated with each amendment, and in connection with the March 25, 2013 amendments, LMI incurred approximately $0.1 million in fees and expenses associated with the amendment. These fees are being amortized over the remaining life of the Facility using the straight-line method and are included in interest expense in the accompanying consolidated statements of comprehensive (loss) income.

11. Stockholder's Equity

As of December 31, 2012 and 2011, the authorized capital stock of the Company consisted of 10,000 shares of voting common stock with a par value of $0.001 per share and 1 share outstanding.

Lantheus MI Intermediate, Inc. and subsidiaries

Notes to Consolidated Financial Statements (Continued)

12. Stock-Based Compensation

The Company's employees are eligible to receive awards from Holdings' 2008 Equity Incentive Plan (the "2008 Plan"). The 2008 Plan is administered by the Holdings Board of Directors. The 2008 Plan permits the granting of nonqualified stock options, stock appreciation rights (or SARs), restricted stock and restricted stock units to employees, officers, directors and consultants of Holdings or any subsidiary of Holdings (including Intermediate and LMI). The maximum number of shares that may be issued pursuant to awards under the 2008 Plan at December 31, 2012 is 4,974,230. Option awards are granted with an exercise price equal to the fair value of Holdings' stock at the date of grant, as determined by the Board of Directors of Holdings. Time based option awards vest based on time, either four or five years, and performance based option awards vest based on the performance criteria specified in the grant. All option awards have a ten year contractual term. The Company recognizes compensation costs for its time based awards on a straight-line basis equal to the vesting period. The compensation cost for performance based awards is recognized on a graded vesting basis, based on the probability of achieving the performance targets over the requisite service period for the entire award. The fair value of each option award is estimated on the date of grant using a Black-Scholes valuation model that uses the assumptions noted in the following table. Expected volatilities are based on the historic volatility of a selected peer group. Expected dividends represent the dividends expected to be issued at the date of grant. The expected term of options represents the period of time that options granted are expected to be outstanding. The risk-free interest rate assumption is the seven-year U.S. Treasury rate at the date of the grant which most closely resembles the expected life of the options.

The Company uses the following Black-Scholes inputs to determine the fair value of new stock option grants.

	Years Ended December 31,		
	2012	2011	2010
Expected volatility	36 - 41%	33 - 40%	36 - 39%
Expected dividends	—	—	—
Expected life (in years)	5.5 - 6.5	6.5	6.5
Risk-free interest rate	0.7 - 1.4%	1.9 - 2.9%	2.2 - 3.3%

Lantheus MI Intermediate, Inc. and subsidiaries

Notes to Consolidated Financial Statements (Continued)

12. Stock-Based Compensation (Continued)

A summary of option activity for 2012 is presented below:

	Time Based	Performance Based	Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term	Aggregate Intrinsic Value
Outstanding at January 1, 2012	2,287,600	1,307,538	3,595,138	$ 2.90	6.4	$22,787,000
Options granted	185,500	140,500	326,000	8.10		
Options cancelled	(56,900)	(18,169)	(75,069)	5.15		
Options exercised	(16,500)	(4,720)	(21,220)	4.69		
Options forfeited and expired	(73,350)	(422,201)	(495,551)	4.54		
Outstanding at December 31, 2012	2,326,350	1,002,948	3,329,298	$ 3.11	5.6	$15,336,000
Vested and expected to vest at December 31, 2012	2,313,439	988,999	3,302,438	$ 3.06	5.6	$15,333,000
Exercisable at December 31, 2012	1,919,950	815,449	2,735,399	$ 2.20	5.1	$14,629,000

The weighted average grant-date fair value of options granted during the years ended December 31, 2012, 2011 and 2010 was $3.29, $4.05 and $4.48, respectively. During the years ended December 31, 2012, 2011 and 2010, 710,139, 362,300 and 465,370 options vested, respectively, with an aggregate fair value of approximately $1.0 million, $0.4 million and $0.5 million, respectively.

During the years ended December 31, 2012, 2011 and 2010, 21,220, 14,650 and 15,000 stock options, respectively, were exercised on a cashless basis for which 9,085, 4,629 and 12,076 shares of common stock, respectively, were issued. The intrinsic value for the options exercised during the years ended December 31, 2012, 2011 and 2010, was approximately $75,000,$46,000 and $0.1 million, respectively.

Stock-based compensation expense (income) for both time based and performance based awards was recognized in the consolidated statements of comprehensive (loss) income as follows:

	Years Ended December 31,		
(in thousands)	2012	2011	2010
Cost of goods sold	$ 79	$ 2	$ 37
General and administrative	982	58	253
Sales and marketing	111	(1,064)	1,114
Research and development	68	35	230
Total stock-based compensation (income) expense	$ 1,240	$ (969)	$ 1,634

Stock-based compensation expense (income) recognized in the consolidated statement of comprehensive (loss) income for the years ended December 31, 2012, 2011, and 2010 are based on awards ultimately expected to vest as well as any changes in the probability of achieving certain performance features as required. During the year ended December 31, 2012, the Company recognized

Lantheus MI Intermediate, Inc. and subsidiaries

Notes to Consolidated Financial Statements (Continued)

12. Stock-Based Compensation (Continued)

approximately $0.6 million of stock-based compensation expense associated with the modification of three option agreements, two of which were effectuated in the first quarter of 2012 and one of which was effectuated in the third quarter of 2012. The modifications of these awards affected the vesting terms of the awards, allowing vesting to continue beyond the last day of employment, so long as the option holders, whom are no longer employees, continue to provide services to the Company or Avista Capital Partners, the majority stockholder of the Company's ultimate parent, as applicable. The Company will remeasure the fair value of these options at each reporting period until the services are completed.

The Company used the following Black-Scholes inputs to determine the fair value of stock options that were modified during the quarter ended March 31, 2012 and the quarter ended September 30, 2012. There were no stock option modifications during the quarters ended June 30, 2012 and December 31, 2012 or during the year ended December 31, 2011.

	Three Months Ended March 31, 2012	Three Months Ended September 30, 2012
Expected volatility	30 - 36%	31%
Expected dividends	—	—
Expected term (in years)	0.3 - 3.5	3.3
Risk-free interest rate	0.3 - 0.8%	0.3%

The Company used the following Black-Scholes inputs to remeasure the fair value of stock options that were modified during 2012 as of December 31, 2012.

Expected volatility	30.0%
Expected dividends	—
Expected term (in years)	2.5
Risk-free interest rate	0.3%

Upon termination of employee services, the Company has the right to call shares held by employees that were purchased or acquired through option exercise. As a result of this right, upon termination of service, vested stock-based awards are reclassified to liability based awards until the period of probable exercise has lapsed. There were no stock-based liabilities as of December 31, 2012 and 2011. There were no liability awards paid out during the years ended December 31, 2012 and 2011. The total of all stock-based liability awards paid out during 2010was approximately $84,000. The Company recorded a benefit of approximately $1.0 million in the three month period ended March 31, 2011 related to 2010 liability awards which expired during the period.

The Company did not recognize an income tax benefit for the years ended December 31, 2012 and 2011. For the year ended December 31, 2010, the Company recognized an income tax benefit of $46,000. As of December 31, 2012, there was approximately $1.1 million of total unrecognized compensation costs related to non-vested stock options granted under the 2008 Plan. These costs are expected to be recognized over a weighted-average remaining period of 0.5 years. In addition, performance based awards contain certain contingent features, such as change in control provisions, which allow for the vesting of previously forfeited and unvested awards. As of December 31, 2012, there was approximately $1.2 million ofunrecognized compensation expense relating to these features, which could be recognized through 2018 or longer.

Lantheus MI Intermediate, Inc. and subsidiaries

Notes to Consolidated Financial Statements (Continued)

13. Other (Expense) Income, net

Other income, net consisted of the following:

	Years Ended December 31,		
(in thousands)	2012	2011	2010
Foreign currency (losses)	$ (579)	$ (156)	$ (209)
Tax indemnification income	346	1,380	1,250
Other income	189	205	273
Total other (expense) income, net	$ (44)	$ 1,429	$ 1,314

14. Commitments

The Company leases certain buildings, hardware and office space under operating leases. In addition, the Company has entered into purchasing arrangements in which minimum quantities of goods or services have been committed to be purchased on an annual basis.

Minimum lease and purchase commitments under noncancelable arrangements are as follows (in thousands):

Years ended December 31,	Operating Leases	Other	Total
2013	$ 990	$ 9,450	$ 10,440
2014	965	—	965
2015	588	—	588
2016	379	—	379
2017	289	—	289
2018 and thereafter	514	—	514
	$ 3,725	$ 9,450	$ 13,175

Lease expense was $1.0 million, $1.0 million and $0.9 million for the years ended December 31, 2012, 2011 and 2010, respectively.

The Company has an agreement with a supplier to provide API and finished products for Ablavar under which LMI is required to purchase future minimum quantities through September 30, 2014. Annual purchases under this supply agreement were $1.7 million, $24.8 million and $15.0 million for the years ended December 31, 2012, 2011 and2010, respectively. At December 31, 2012 and 2011, there were no unpaid purchases under this agreement that were included in accounts payable and accrued expenses. As described in Note 9, "Accrued Expenses", the Company had accrued a contract loss of $7.5 million and $5.6 million at December 31, 2012 and 2011, respectively, associated with theportion of the committed purchases of Ablavar product under this agreement that the Company does not believe it would sell prior to expiry.

On October 19, 2012, the Company entered into Amendment No. 2, effective as of October 15, 2012, to the Nordion Molybdenum-99 Purchase and Supply Agreement, dated April 1, 2010. Beginning November 1, 2012, LMI is committed to purchasing a supply of Moly based upon a volume percentage of LMI's total requirement through December 2015 at a fixed and determinable price. The Company has excluded these future purchase commitments from the table above since there are no minimum

Lantheus MI Intermediate, Inc. and subsidiaries

Notes to Consolidated Financial Statements (Continued)

14. Commitments (Continued)

purchase commitments or payments under this agreement. Annual purchases under this agreement were $49.7 million, $59.4 million and $30.2 million for the years ended December 31, 2012, 2011 and 2010, respectively. At December 31, 2012 and 2011, $4.0 million and $6.8 million, respectively, of purchases were included in accounts payable and accrued expenses.

On October 1, 2012, the Company entered into Amendment No. 3, effective as of October 1, 2012, to the NTP Sales Agreement, dated April 1, 2009. Beginning October 1, 2012, LMI is committed to purchasing a supply of Moly based upon a volume percentage of LMI's total requirement through December 2017 at a fixed and determinable price. The Company has excluded these future purchase commitments from the table above since there are no minimum purchase commitments or payments under this agreement. Annual purchases under this agreement were $16.5 million, $15.0 million and $35.2 million for the years ended December 31, 2012, 2011 and 2010, respectively. At December 31, 2012 and 2011, $1.4 million and $1.8 million, respectively, of purchases were included in accounts payable and accrued expenses.

On November 30, 2012, the Company entered into an Amended and Restated Manufacture and Supply Agreement, effective as of January 1, 2012 for the purchase of lead casing mainly for TechneLite generators. Beginning January 1, 2012, LMI is committed to purchasing a supply of lead product based upon a volume percentage of LMI's total requirement through December 2014 at a variable price. The Company has excluded these future purchase commitments from the table above since there are no minimum purchase commitments or payments under this agreement. Purchases under this agreement were $4.2 million for the year ended December 31, 2012. At December 31, 2012, $0.2 million of purchases were included in accounts payable and accrued expenses.

During 2012, the Company entered into manufacturing and supply agreements with JHS for the manufacture of DEFINITY, Cardiolite and Neurolite. When JHS has been approved by the FDA to manufacture a specific product (for example, in February 2013, the FDA informed the Company that the JHS facility was approved to manufacture DEFINITY), the Company then becomes subject to percentage volume commitments based on LMI's total requirement for each of the products. There are no minimum purchase commitments or payments under these agreements. The manufacturing and supply agreements with JHS currently expire in 2017. The percentage volume purchase commitments were not yet effective at December 31, 2012.

15. 401(k) Plan

The Company maintains a qualified 401(k) plan (the "401(k) Plan") for its U.S. employees. The 401(k) Plan covers U.S. employees who meet certain eligibility requirements. Under the terms of the 401(k) Plan, the employees may elect to make tax-deferred contributions through payroll deductions within statutory and plan limits, and the Company may elect to make non-elective discretionary contributions. During the years ended December 31, 2011 and 2010, the Company matched employee contributions up to 4.5% of eligible compensation and did not contribute an additional non-elective discretionary match. Effective April 2012, the employer match was suspended and was subsequently reinstated in January 2013. The Company did not contribute any additional non-elective discretionary match during the year ended December 31, 2012. The Company may also make optional contributions to the 401(k) Plan for any plan year at its discretion. Expense recognized by the Company for matching contributions related to the 401(k) Plan was $0.4 million, $1.9 million and $1.8 million for the years ended December 31, 2012, 2011 and 2010, respectively.

Lantheus MI Intermediate, Inc. and subsidiaries

Notes to Consolidated Financial Statements (Continued)

16. Legal Proceedings

From time to time, the Company is a party to various legal proceedings arising in the ordinary course of business. In addition, the Company has in the past been, and may in the future be, subject to investigations by regulatory authorities which expose it to greater risks associated with litigation, regulatory or other proceedings, as a result of which the Company could be required to pay significant fines or penalties. The outcome of litigation, regulatory or other proceedings cannot be predicted with certainty, and some lawsuits, claims, actions or proceedings may be disposed of unfavorably to the Company. In addition, intellectual property disputes often have a risk of injunctive relief which, if imposed against the Company, could materially and adversely affect its financial condition or results of operations.

On December 16, 2010, LMI filed suit against one of its insurance carriers seeking to recover business interruption losses associated with the NRU reactor shutdown and the ensuing global Moly supply shortage. The claim is the result of the shutdown of the NRU reactor in Chalk River, Ontario. The NRU reactor was off-line from May 2009 until August 2010 due to a "heavy water" leak in the reactor vessel. The defendant answered the complaint on January 21, 2011, denying substantially all of the allegations, presenting certain defenses and requesting dismissal of the case with costs and disbursements. On April 4, 2011, the parties had their first pre-trial conference in United States District Court for the Southern District of New York, and discovery has commenced and is continuing. The Company cannot be certain what amount, if any, or when, if ever, it will be able to recover for business interruption losses related to this matter.

17. Related Party Transactions

At December 31, 2011, LMI had an outstanding receivable from Holdings in the amount of $1.3 million, which was included in due from parent. In the third quarter of 2012, LMI reclassified the then outstanding receivable from Holdings of $1.2 million to stockholder's deficit since Holdings did not and continues to not have assets sufficient to repay amounts due to LMI. The outstanding receivable from Holdings at December 31, 2012 was $1.4 million.

In the third quarter of 2012, the Company entered into a Master Contract Research Organization Services Agreement with INC Research, LLC ("INC") to provide clinical development services in connection with the flurpiridaz F 18 Phase 3 program. Avista Capital Partners and certain affiliates are principal owners of both INC and the Company. The agreement has a term of five years, and the Company incurred costs associated with this agreement of approximately $0.9 million during the year ended December 31, 2012. At December 31, 2012,$0.5 million was included in accounts payable and accrued expenses.

Avista, the majority shareholder of LMI Holdings, provides certain advisory services to the Company pursuant to an advisory services and monitoring agreement. The Company is required to pay an annual fee of $1.0 million and other reasonable and customary advisory fees, as applicable, paid on a quarterly basis. The initial term of the agreement is seven years. Upon termination, all remaining amounts owed under the agreement shall become due immediately. During the years ended December 31, 2012, 2011 and 2010, the Company incurred costs associated with this agreement totaling $1.0 million, $1.0 million and $1.1 million, respectively. At December 31, 2012, $20,000 was included in accounts payable and accrued expenses. At December 31, 2011, there were no outstanding amounts owed.

Lantheus MI Intermediate, Inc. and subsidiaries

Notes to Consolidated Financial Statements (Continued)

17. Related Party Transactions (Continued)

Effective as of June 30, 2009, the Company entered into a Master Services Agreement with Quintiles Commercial US, Inc. ("Quintiles") (formerly known as Innovex Inc.) to provide a contract sales force in connection with the launch and promotion of Ablavar. The Company incurred costs associated with this contract of approximately $3.3 million for the year ended December 31, 2010. The Master Services Agreement was extended on June 11, 2010 and was terminated as of December 31, 2010. A son of the Company's former Chairman of the Board was a Director of Business Development for Quintiles during part of the term of the agreement. He left Quintiles in June 2010 prior to the contract extension and renegotiation.

In March 2010, the Company engaged a tax and financial services consulting firm to advise the Company on compliance requirements under the Sarbanes-Oxley Act. During the years ended December 31, 2012, 2011 and 2010, the Company incurred costs associated with this engagement of approximately $69,000, $0.1 million and $0.2 million, respectively. A son of the Company's former Chief Financial Officer is a partner of the consulting firm. As of December 31, 2012, this firm is no longer a related party to the Company.

The Company purchases inventory supplies from VWR Scientific ("VWR"). Avista Capital Partners and certain affiliates are principal owners of both VWR and the Company. The Company made purchases of approximately $0.3 million during each of the years ended December 31, 2012, 2011 and 2010. At December 31, 2012 and 2011, $19,000 and $49,000, respectively, was included in accounts payable and accrued expenses.

At December 31, 2012, the Company had $0.1 million due from an officer of the Company included in accounts receivable, net. These amounts represent federal and state tax withholdings paid by the Company on behalf of the officer.

18. Segment Information

The Company reports two operating segments, U.S. and International, based on geographic customer base. The results of these operating segments are regularly reviewed by our chief operating decision maker, the President and Chief Executive Officer. The Company's segments derive revenues through the manufacturing, marketing, selling and distribution of medical imaging products, focused primarily on cardiovascular diagnostic imaging. The U.S. segment comprises 72.9%, 75.3% and 74.8% of consolidated revenues in 2012, 2011 and 2010, respectively, and 86.7% and 85.5% of consolidated assets at December 31, 2012 and 2011, respectively. All goodwill has been allocated to the U.S. operating segment.

Included in Cardiolite revenues are branded Cardiolite and generic sestamibi revenues, some of which is produced by the Company and some of which is procured from time to time from third parties. Reflected in the 2011 table below, is the reclassification of $0.8 million of generic sestamibi revenues from "Other" revenues to "Cardiolite" revenues to conform with the current period presentation. In addition, in 2011 the Company incorrectly included $102.0 million of intangible assets within the December 31, 2011 "Long-lived assets" segment disclosure below. The Company has restated the December 31, 2011 "Long-lived assets" segment disclosure to remove these intangible assets to conform with the current period presentation.

Lantheus MI Intermediate, Inc. and subsidiaries

Notes to Consolidated Financial Statements (Continued)

18. Segment Information (Continued)

Selected information for each business segment are as follows (in thousands):

(in thousands)	2012	2011	2010
Revenues			
U.S.	$ 229,926	$ 291,344	$ 295,352
International	78,094	87,927	89,210
Total revenue, including inter-segment	308,020	379,271	384,562
Inter-segment revenue	(19,915)	(22,979)	(30,606)
	$ 288,105	$ 356,292	$ 353,956
Revenues from external customers			
U.S.	$ 210,011	$ 268,365	$ 264,746
International	78,094	87,927	89,210
	$ 288,105	$ 356,292	$ 353,956
Revenues by product			
DEFINITY	$ 51,431	$ 68,503	$ 59,968
TechneLite	114,249	131,241	122,044
Cardiolite	34,995	66,127	77,422
Xenon	30,075	26,761	19,931
Other	57,355	63,660	74,591
	$ 288,105	$ 356,292	$ 353,956
Geographical revenue			
U.S.	$ 210,011	$ 268,365	$ 264,746
Canada	37,017	42,366	42,225
All other	41,077	45,561	46,985
	$ 288,105	$ 356,292	$ 353,956
Operating income/(loss)			
U.S.	$ (11,104)	$ (25,881)	$ 16,953
International	9,820	12,767	12,952
Total operating income, including inter-segment	(1,284)	(13,114)	29,905
Inter-segment operating income (loss)	534	(3,361)	(511)
Operating (loss) income	(750)	(16,475)	29,394
Interest expense	(42,014)	(37,658)	(20,395)
Loss on early extinguishment of debt	—	—	(3,057)
Interest income	252	333	179
Other (expense) income, net	(44)	1,429	1,314
(Loss) income before income taxes	$ (42,556)	$ (52,371)	$ 7,435
Depreciation and amortization			
U.S.	$ 23,918	$ 28,912	$ 30,767
International	3,484	3,850	4,434
	$ 27,402	$ 32,762	$ 35,201
Capital expenditures			
U.S.	$ 7,353	$ 7,100	$ 7,005
International	567	594	1,330

	$ 7,920	$ 7,694	$ 8,335

Lantheus MI Intermediate, Inc. and subsidiaries

Notes to Consolidated Financial Statements (Continued)

18. Segment Information (Continued)

	2012	2011
Assets		
U.S.	$ 279,808	$ 306,615
International	43,118	52,189
	$ 322,926	$ 358,804

	2012	2011
Long-lived assets		
U.S.	$ 101,773	$ 103,500
International	7,800	8,952
	$ 109,573	$ 112,452

19. Valuation and Qualifying Accounts

(in thousands)	Balance at Beginning of Fiscal Year	Charge to Costs and Expenses (Recovery of write-offs)	Deductions From Reserves	Balance at End of Fiscal Year
Year ended December 31, 2012:				
Allowance for doubtful accounts	$ 462	$ (117)	$ (44)	$ 301
Year ended December 31, 2011:				
Allowance for doubtful accounts	$ 796	$ 301	$ (635)	$ 462
Year ended December 31, 2010:				
Allowance for doubtful accounts	$ 738	$ 394	$ (336)	$ 796

Amounts charged to deductions from reserves represent the write-off of uncollectible balances.

20. Guarantor Financial Information

The Notes are guaranteed by Lantheus Intermediate and Lantheus MI Real Estate, LLC, one of Lantheus Intermediate's consolidated subsidiaries (the "Guarantor Subsidiary"). The guarantees are full and unconditional and joint and several. The following supplemental financial information sets forth, on a condensed consolidating basis, balance sheet information as of December 31, 2012 and 2011, and comprehensive (loss) income and cash flow information for the years ended December 31, 2012, 2011 and 2010 for Lantheus Intermediate, LMI, the Guarantor Subsidiary and Lantheus Intermediate's other subsidiaries (the "Non-Guarantor Subsidiaries"). The supplemental financial information reflects the investments of Lantheus Intermediate in LMI and Lantheus Intermediate's investment in the Guarantor Subsidiary and Non-Guarantor Subsidiaries using the equity method of accounting.

Lantheus MI Intermediate, Inc. and subsidiaries

Notes to Consolidated Financial Statements (Continued)

20. Guarantor Financial Information (Continued)

Consolidating Balance Sheet Information
December 31, 2012

(in thousands)	Lantheus Intermediate	LMI	Guarantor Subsidiary	Non-Guarantor Subsidiaries	Eliminations	Total
Assets:						
Current assets						
Cash and cash equivalents	$ —	$ 17,635	$ —	$ 13,960	$ —	$ 31,595
Accounts receivable, net	—	30,218	—	11,162	—	41,380
Intercompany accounts receivable	—	1,992	—	—	(1,992)	—
Inventory	—	15,417	—	2,631	—	18,048
Income tax receivable	—	291	—	445	—	736
Deferred tax assets	—	—	—	115	—	115
Other current assets	—	2,596	—	347	—	2,943
Total current assets	—	68,149	—	28,660	(1,992)	94,817
Property, plant and equipment, net	—	78,578	23,195	7,800	—	109,573
Capitalized software development costs, net	—	2,230	—	4	—	2,234
Intangibles, net	—	60,370	—	6,432	—	66,802
Goodwill	—	15,714	—	—	—	15,714
Deferred financing costs	—	11,372	—	—	—	11,372
Investment in subsidiaries	(174,353)	58,166	—	—	116,187	—
Other long-term assets	—	22,192	—	222	—	22,414
Total assets	$ (174,353)	$ 316,771	$ 23,195	$ 43,118	$ 114,195	$ 322,926
Liabilities and (deficit) equity:						
Current liabilities						
Accounts payable	$ —	$ 16,835	$ —	$ 2,110	$ —	$ 18,945
Intercompany accounts						

payable	—	—	—	1,992	(1,992)	—
Accrued expenses	—	26,592	—	3,097	—	29,689
Deferred revenue	—	7,229	—	91	—	7,320
Total current liabilities	—	50,656	—	7,290	(1,992)	55,954
Asset retirement obligations	—	5,268	—	148	—	5,416
Long-term debt, net	—	398,822	—	—	—	398,822
Deferred tax liability	—	—	—	435	—	435
Other long-term liabilities	—	36,378	—	274	—	36,652
Total liabilities	—	491,124	—	8,147	(1,992)	497,279
(Deficit) equity	(174,353)	(174,353)	23,195	34,971	116,187	(174,353)
Total liabilities and (deficit) equity	$ (174,353)	$ 316,771	$ 23,195	$ 43,118	$ 114,195	$ 322,926

Lantheus MI Intermediate, Inc. and subsidiaries

Notes to Consolidated Financial Statements (Continued)

20. Guarantor Financial Information (Continued)

Consolidating Balance Sheet Information
December 31, 2011

(in thousands)	Lantheus Intermediate	LMI	Guarantor Subsidiary	Non-Guarantor Subsidiaries	Eliminations	Total
Assets:						
Current assets						
Cash and cash equivalents	$ —	$ 20,474	$ —	$ 20,133	$ —	$ 40,607
Accounts receivable, net	—	27,872	—	12,128	—	40,000
Intercompany accounts receivable	—	1,414	—	—	(1,414)	—
Inventory	—	12,269	—	2,496	—	14,765
Deferred tax assets	—	—	—	93	—	93
Other current assets	—	2,349	—	313	—	2,662
Total current assets	—	64,378	—	35,163	(1,414)	98,127
Property, plant and equipment, net	—	80,225	23,275	8,952	—	112,452
Capitalized software development costs, net	—	3,575	—	7	—	3,582
Intangibles, net	—	74,775	—	7,974	—	82,749
Goodwill	—	15,714	—	—	—	15,714
Deferred tax assets	—	—	—	—	—	—
Deferred financing costs	—	13,141	—	—	—	13,141
Investment in subsidiaries	(133,203)	66,983	—	—	66,220	—
Due from parent	—	1,286	—	—	—	1,286
Other long-term assets	—	31,659	—	94	—	31,753
Total assets	$ (133,203)	$ 351,736	$ 23,275	$ 52,190	$ 64,806	$ 358,804
Liabilities and (deficit) equity:						
Current liabilities						
Accounts payable	$ —	$ 19,738	$ —	$ 2,272	$ —	$ 22,010
Intercompany						

accounts payable	—	—	—	1,414	(1,414)	—
Accrued expenses	—	17,780	—	3,169	—	20,949
Income tax payable	—	1,595	—	(113)	—	1,482
Deferred tax liability	—	—	—	—	—	—
Deferred revenue	—	3,712	—	206	—	3,918
Total current liabilities	—	42,825	—	6,948	(1,414)	48,359
Asset retirement obligations	—	4,737	—	131	—	4,868
Long-term debt, net	—	398,629	—	—	—	398,629
Deferred tax liability	—	—	—	931	—	931
Other long-term liabilities	—	38,748	—	472	—	39,220
Total liabilities	—	484,939	—	8,482	(1,414)	492,007
(Deficit) equity	(133,203)	(133,203)	23,275	43,708	66,220	(133,203)
Total liabilities and (deficit) equity	$ (133,203)	$ 351,736	$ 23,275	$ 52,190	$ 64,806	$ 358,804

Lantheus MI Intermediate, Inc. and subsidiaries

Notes to Consolidated Financial Statements (Continued)

20. Guarantor Financial Information (Continued)

Consolidating Comprehensive (Loss) Income Information
Year Ended December 31, 2012

(in thousands)	Lantheus Intermediate	LMI	Guarantor Subsidiary	Non-Guarantor Subsidiaries	Eliminations	Total
Revenues						
Net product revenues	$ —	$230,655	$ —	$ 66,614	$ (19,915)	$277,354
License and other revenues	—	10,751	—	—	—	10,751
Total revenues	—	241,406	—	66,614	(19,915)	288,105
Cost of goods sold	—	171,257	—	59,707	(19,915)	211,049
Loss on firm purchase commitment	—	1,859	—	—	—	1,859
Total cost of goods sold	—	173,116	—	59,707	(19,915)	212,908
Gross profit	—	68,290	—	6,907	—	75,197
Operating expenses						
General and administrative expenses	—	30,112	80	2,328	—	32,520
Sales and marketing expenses	—	34,220	—	3,217	—	37,437
Research and development expenses	—	40,457	—	147	—	40,604
Proceeds from manufacturer	—	(34,614)	—	—	—	(34,614)
Operating income (loss)	—	(1,885)	(80)	1,215	—	(750)
Interest expense	—	(42,014)	—	—	—	(42,014)
Interest income	—	1	—	251	—	252
Other income (expense)	—	110	—	(154)	—	(44)
Equity in earnings (losses) of affiliates	(42,001)	1,242	—	—	40,759	—
(Loss) income before income taxes	(42,001)	(42,546)	(80)	1,312	40,759	(42,556)
Provision (benefit) for income taxes	—	(545)	—	(10)	—	(555)
Net (loss) income	(42,001)	(42,001)	(80)	1,322	40,759	(42,001)
Foreign currency						

translation, net of taxes	—	200	—	764	—	964
Equity in other comprehensive income (loss) of subsidiaries	964	764	—	—	(1,728)	—
Total other comprehensive (loss) income	$ (41,037)	$ (41,037)	$ (80)	$ 2,086	$ 39,031	$ (41,037)

Lantheus MI Intermediate, Inc. and subsidiaries

Notes to Consolidated Financial Statements (Continued)

20. Guarantor Financial Information (Continued)

Consolidating Comprehensive (Loss) Income Information
Year Ended December 31, 2011

(in thousands)	Lantheus Intermediate	LMI	Guarantor Subsidiary	Non-Guarantor Subsidiaries	Eliminations	Total
Revenues						
Net product revenues	$ —	$ 293,775	$ —	$ 74,966	$ (22,979)	$ 345,762
License and other revenues	—	10,530	—	—	—	10,530
Total revenues	—	304,305	—	74,966	(22,979)	356,292
Cost of goods sold	—	213,121	—	65,324	(22,979)	255,466
Loss on firm purchase commitment	—	5,610	—	—	—	5,610
Total cost of goods sold	—	218,731	—	65,324	(22,979)	261,076
Gross profit	—	85,574	—	9,642	—	95,216
Operating expenses						
General and administrative expenses	—	29,335	80	2,642	—	32,057
Sales and marketing expenses	—	34,665	—	4,024	—	38,689
Research and development expenses	—	40,387	—	558	—	40,945
Operating income (loss)	—	(18,813)	(80)	2,418	—	(16,475)
Interest expense	—	(37,658)	—	—	—	(37,658)
Interest income	—	1	—	332	—	333
Other income (expense)	—	1,573	—	(144)	—	1,429
Equity in earnings (losses) of affiliates	(136,469)	3,288	—	—	133,181	—
(Loss) income before income taxes	(136,469)	(51,609)	(80)	2,606	133,181	(52,371)
Provision (benefit) for income taxes	—	84,860	(28)	(734)	—	84,098
Net (loss) income	(136,469)	(136,469)	(52)	3,340	133,181	(136,469)
Foreign currency translation	—	—	—	(104)	—	(104)

Income tax expense related to items of other comprehensive (loss) income	—	(233)	—	—	—	(233)
Total other comprehensive (loss) income	$ (136,469)	$(136,702)	$ (52)	$ 3,236	$ 133,181	$(136,806)

Lantheus MI Intermediate, Inc. and subsidiaries

Notes to Consolidated Financial Statements (Continued)

20. Guarantor Financial Information (Continued)

Consolidating Comprehensive (Loss) Income Information
December 31, 2010

(in thousands)	Lantheus Intermediate	LMI	Guarantor Subsidiary	Non-Guarantor Subsidiaries	Eliminations	Total
Revenues						
Net product revenues	$ —	$300,084	$ —	$ 76,269	$ (30,606)	$345,747
License and other revenues	—	8,209	—	—	—	8,209
Total revenues	—	308,293	—	76,269	(30,606)	353,956
Cost of goods sold	—	171,061	—	63,551	(30,606)	204,006
Gross profit	—	137,232	—	12,718	—	149,950
Operating expenses						
General and administrative expenses	—	27,113	80	2,849	—	30,042
Sales and marketing expenses	—	41,234	—	4,150	—	45,384
Research and development expenses	—	44,638	—	492	—	45,130
Operating income (loss)	—	24,247	(80)	5,227	—	29,394
Interest expense	—	(20,395)	—	—	—	(20,395)
Interest income	—	2	—	177	—	179
Loss on early extinguishment of debt	—	(3,057)	—	—	—	(3,057)
Other income (expense)	—	1,599	—	(285)	—	1,314
Equity in losses (earnings) of affiliates	4,970	3,565	—	—	(8,535)	—
Income (loss) before income taxes	4,970	5,961	(80)	5,119	(8,535)	7,435
Provision (benefit) for income taxes	—	991	(28)	1,502	—	2,465
Net income (loss)	4,970	4,970	(52)	3,617	(8,535)	4,970
Foreign currency translation	—	—	—	1,150	—	1,150

Income tax expense related to items of other comprehensive (loss) income	—	—	—	—	—	—
Total other comprehensive (loss) income	$ 4,970	$ 4,970	$ (52)	$ 4,767	$ (8,535)	$ 6,120

Lantheus MI Intermediate, Inc. and subsidiaries

Notes to Consolidated Financial Statements (Continued)

20. Guarantor Financial Information (Continued)

Condensed Consolidating Cash Flow Information
Year Ended December 31, 2012

	Lantheus Intermediate	LMI	Guarantor Subsidiary	Non-Guarantor Subsidiaries	Eliminations	Total
Cash provided by operating activities	$ —	$ 3,829	$ —	$ 4,568	$ (7,874)	$ 523
Cash flows from investing activities						
Capital expenditures	—	(7,353)	—	(567)	—	(7,920)
Purchase of certificate of deposit	—	(225)	—	—	—	(225)
Proceeds from dividend	—	2,949	—	—	(2,949)	—
Cash provided by (used in) investing activities	—	(4,629)	—	(567)	(2,949)	(8,145)
Cash flows from financing activities						
Payments on note payable	—	(1,530)	—	—	—	(1,530)
Payments of deferred financing costs	—	(442)	—	—	—	(442)
Due from parent	—	(67)	—	—	—	(67)
Payment of dividend	—	—	—	(10,823)	10,823	—
Cash used in financing activities	—	(2,039)	—	(10,823)	10,823	(2,039)

Effect of foreign exchange rate on cash	—	—	—	649	—	649
Decrease in cash and cash equivalents	—	(2,839)	—	(6,173)	—	(9,012)
Cash and cash equivalents, beginning of year	—	20,474	—	20,133	—	40,607
Cash and cash equivalents, end of year	$ —	$ 17,635	$ —	$ 13,960	$ —	$ 31,595

Lantheus MI Intermediate, Inc. and subsidiaries

Notes to Consolidated Financial Statements (Continued)

20. Guarantor Financial Information (Continued)

Condensed Consolidating Cash Flow Information
Year Ended December 31, 2011

	Lantheus Intermediate	LMI	Guarantor Subsidiary	Non-Guarantor Subsidiaries	Eliminations	Total
Cash provided by operating activities	$ 600	$ 15,409	$ —	$ 7,011	$ (600)	$ 22,420
Cash flows from investing activities						
Capital expenditures	—	(7,023)	—	(671)	—	(7,694)
Proceeds from dividend	149,400	—	—	—	(149,400)	—
Cash provided by (used in) investing activities	149,400	(7,023)	—	(671)	(149,400)	(7,694)
Cash flows from financing activities						
Proceeds from issuance of debt	—	152,250	—	—	—	152,250
Consent solicitation fee	—	(3,750)	—	—	—	(3,750)
Payments of deferred financing costs	—	(5,491)	—	—	—	(5,491)
Proceeds from line of credit	—	10,000	—	—	—	10,000
Payments on line of credit	—	(10,000)	—	—	—	(10,000)
Payment of dividend	(150,000)	(150,000)	—	—	150,000	(150,000)
Cash used						

in financing activities	(150,000)	(6,991)	—	—	150,000	(6,991)
Effect of foreign exchange rate on cash	—	—	—	(134)	—	(134)
Increase in cash and cash equivalents	—	1,395	—	6,206	—	7,601
Cash and cash equivalents, beginning of year	—	19,079	—	13,927	—	33,006
Cash and cash equivalents, end of year	$ —	$ 20,474	$ —	$ 20,133	$ —	$ 40,607

Lantheus MI Intermediate, Inc. and subsidiaries

Notes to Consolidated Financial Statements (Continued)

20. Guarantor Financial Information (Continued)

Condensed Consolidating Cash Flow Information
December 31, 2010

	Lantheus Intermediate	LMI	Guarantor Subsidiary	Non-Guarantor Subsidiaries	Eliminations	Total
Cash provided by operating activities	$ 65,698	$ 22,344	$ —	$ 6,055	$ (67,780)	$ 26,317
Cash flows from investing activities						
Capital expenditures	—	(7,005)	—	(1,330)	—	(8,335)
Proceeds from dividend	98,078	—	—	—	(98,078)	—
Acquisition of intangibles	—	(215)	—	—	—	(215)
Cash provided by (used in) investing activities	98,078	(7,220)	—	(1,330)	(98,078)	(8,550)
Cash flows from financing activities						
Proceeds from issuance of debt	—	250,000	—	—	—	250,000
Payment of term loan	—	(93,649)	—	—	—	(93,649)
Payments of deferred financing costs	—	(10,125)	—	—	—	(10,125)
Payment of dividend	(163,776)	(163,776)	—	(2,082)	165,858	(163,776)
Cash used in financing activities	(163,776)	(17,550)	—	(2,082)	165,858	(17,550)
Effect of foreign exchange rate on cash	—	—	—	1,309	—	1,309
(Decrease)Increase in cash and cash equivalents	—	(2,426)	—	3,952	—	1,526
Cash and cash equivalents, beginning of year	—	21,505	—	9,975	—	31,480
Cash and cash						

equivalents, end of year	$ —	$ 19,079	$ —	$ 13,927	$ —	$ 33,006

21. Subsequent Events

On January 23, 2013, Jeffrey Bailey was appointed as President and Chief Executive Officer of LMI, and as a director of LMI, Lantheus Intermediate and Holdings, replacing Donald R. Kiepert who had served in the same positions. The Company and Mr. Bailey are currently finalizing the terms of his employment agreement with the Company.

In March 2013, the Company entered into an agreement with Institute for Radioelements ("IRE") (the "IRE Agreement"), which contains increasing percentage volume purchase requirements for Moly. IRE previously supplied the Company with Moly as a subcontractor under the NTP agreement. Under the terms of the five year IRE Agreement, which expires on December 31, 2017, IRE is expected to provide certain increased quantities of Moly during periods of supply shortage or failure. The IRE Agreement also provides for an increased supply of Moly derived from LEU targets upon IRE's completion of its ongoing conversion program to modify its facilities and processes in accordance with Belgian nuclear security commitments. The IRE Agreement allows for termination upon the occurrence of certain events, including failure by IRE to provide our required amount of Moly, material breach of any provision by either party, bankruptcy of either party and force majeure events.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

Not applicable.

Item 9A. Controls and Procedures

Disclosure Controls and Procedures

Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we conducted an evaluation of our disclosure controls and procedures, as such term is defined under Rule 13a-15(e) or 15d-15(e) promulgated under the Exchange Act. Based on this evaluation, our principal executive officer and our principal financial officer concluded that our disclosure controls and procedures were effective as of the end of the period covered by this report.

Management's Annual Report on Internal Control Over Financial Reporting

Our management, with the participation of our principal executive officer and principal financial officer, is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Our internal control system is designed to provide reasonable assurance to our management and Board of Directors regarding the preparation and fair presentation of published financial statements.

Our management assessed the effectiveness of our internal control over financial reporting as of December 31, 2012. In making its assessment of internal control over financial reporting, our management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in *Internal Control—Integrated Framework*. Based on this assessment, management concluded that, as of December 31, 2012, our internal control over financial reporting is effective.

We do not include an attestation report of our independent registered public accounting firm regarding internal control over financial reporting in this annual report. Our report was not subject to attestation by the Company's independent registered public accounting firm pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act signed into law on July 21, 2010 ("Dodd-Frank"). Dodd-Frank provides a permanent exemption from the requirements of Section 404(b) of the Sarbanes-Oxley Act of 2002 for those entities that are neither large accelerated filers nor accelerated filers. As a result, we were not required to have our independent registered public accounting firm attest to, and report on, internal controls over financial reporting.

Changes in Internal Control Over Financial Reporting

There have been no changes during the quarter ended December 31, 2012 in our internal control over financial reporting (as defined in Rule 13a-15(f) promulgated under the Exchange Act) that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information

None.

PART III

All information contained in Part III is included in this annual report and not incorporated by reference because we do not have any public equity that requires us to file a definitive proxy statement.

Item 10. Directors, Executive Officers and Corporate Governance

The following table sets forth the names, ages and positions of the executive officers and directors of Holdings and other key employees of Lantheus, as of March 28, 2013. Holdings is our ultimate parent company, and the Board of Directors of Holdings is the primary board that takes action with respect to our business and strategic planning.

Name	Age	Position
Brian Markison	52	Director and Non-Executive Chairman of the Board
Jeffrey Bailey	50	Director, President and Chief Executive Officer
Jeffrey E. Young	40	Chief Financial Officer and Treasurer
William Dawes	41	Vice President, Manufacturing and Operations
Michael Duffy	52	Vice President, General Counsel and Secretary
Michael Heslop	53	Vice President, International
Philip Lockwood	64	Vice President, Human Resources
Cesare Orlandi	63	Chief Medical Officer
Simon Robinson	53	Vice President, Research and Pharmaceutical Development
Cyrille Villeneuve	61	Chief Commercial Officer
Nigel Williams	53	Vice President, Quality
David Burgstahler	44	Director
Samuel Leno	67	Director
Patrick O'Neill	63	Director
Sriram Venkataraman	40	Director

Set forth below is a description of the business experience of the foregoing persons.

Brian. A. Markison is the Non-Executive Chairman of the Board of Directors of Holdings, Lantheus Intermediate and LMI. Mr. Markison joined the Board of Holdings in September 2012 and was elevated to Chairman in January 2013. Brian Markison joined Avista as a Healthcare Industry Executive in September 2012. Mr. Markison is a seasoned executive with more than 30 years of operational, marketing, commercial development and sales experience with international pharmaceutical companies. He most recently held the position of President and Chief Executive Officer and member of the Board of Directors of Fougera Pharmaceuticals Inc., a specialty pharmaceutical company in dermatology, prior to its sale to Sandoz, the generics division of Novartis AG. Before leading Fougera, Mr. Markison was Chairman and Chief Executive Officer of King Pharmaceuticals, which he joined as Chief Operating Officer in March 2004, and was promoted to President and CEO later that year, and elected Chairman in 2007. Prior to joining King, Mr. Markison held various senior leadership positions at Bristol-Myers Squibb, including President of Oncology, Virology and Oncology Therapeutics Network; President of Neuroscience, Infectious Disease and Dermatology; and Senior Vice President, Operational Excellence and Productivity. Mr. Markison also serves on the Board of Directors of Immunomedics, Inc., PharmAthene, Inc. and Rosetta Genomics, Ltd., where he also serves as Board Chairman. He is also a Director of the Komen Foundation for South / Central New Jersey, the College of New Jersey and the Pennington School. Mr. Markison holds a BS degree from Iona College. Mr. Markison was chosen as a Director because of his strong commercial and operational management background and extensive experience in the pharmaceutical industry.

Jeffrey Bailey became our new President and Chief Executive Officer effective January 23, 2013 and is a director of Holdings, Lantheus Intermediate and LMI. Mr. Bailey has more than 26 years of

diverse pharmaceutical leadership experience across multiple functions, including sales, marketing, manufacturing, supply chain and operations. Prior to joining Lantheus, Mr. Bailey served from July 2011 to August 2012 as Chief Operating Officer and a member of the Executive Committee of Fougera Pharmaceuticals, Inc. prior to its sale to Sandoz. Before joining Fougera, from April 2010 to June 2011, Mr. Bailey served as the Chief Commercial Officer of King-Pfizer Pharmaceuticals. From January 2008 to April 2010, he worked with Novartis Pharmaceuticals as President and General Manager of the Northwest Operating Unit, and from June 1984 to June 2006 he served in many roles with increasing responsibilities across manufacturing operations, commercial operations and general management at the Johnson & Johnson Family of Companies. Mr. Bailey holds a Bachelor of Arts in Business from Rutgers University. Mr. Bailey was chosen to serve as a Director because of his extensive experience in the healthcare industry in senior commercial and operating positions. As our President and Chief Executive Officer and the only management representative on our Board of Directors, Mr. Bailey has significant knowledge of the pharmaceutical industry and provides valuable insight into a variety of business issues and challenges we face.

Jeffrey E. Young was promoted to the role of Chief Financial Officer effective January 3, 2012 to succeed Robert Gaffey. Mr. Young was previously our Vice President—Finance, Chief Accounting Officer and Assistant Treasurer in 2011. Prior to becoming a Vice President in 2011, he served as our Global Controller and Assistant Treasurer since November 2008. Prior to joining us, Mr. Young held various positions at Critical Therapeutics, Inc., a biopharmaceutical company, from 2005 to 2008, most recently as Chief Accounting Officer, Vice President of Finance and Treasurer. Mr. Young also held positions of increasing responsibility at PerkinElmer Inc. from 2003 to 2005 and at PricewaterhouseCoopers LLP from 1998 to 2002. Mr. Young is a certified public accountant and holds a Bachelor of Science in Business Administration from Georgetown University.

William Dawes is our Vice President, Manufacturing and Operations since November 2010. Mr. Dawes held the position of Vice President, Manufacturing & Supply Chain from January 2008 to November 2010. From 2005 to 2008, Mr. Dawes served as General Manager, Medical Imaging Technical Operations, Interim General Manager, Medical Imaging Technical Operations, and Director, Engineering and Maintenance for BMSMI. Mr. Dawes began his career with DuPont Merck Pharmaceuticals. He holds a bachelor's degree in Engineering from Hofstra University.

Michael Duffy is our Vice President, General Counsel and Secretary, a position he has held since January 2008. From 2002 to 2008, he served as Senior Vice President, General Counsel and Secretary of Point Therapeutics, Inc., a Boston-based biopharmaceutical company. Between 1999 and 2001, Mr. Duffy served as Senior Vice President, General Counsel and Secretary of Digital Broadband Communications, Inc., a competitive local exchange carrier which filed for protection under Chapter 11 of the United States Bankruptcy Code in December 2000. After the filing, Mr. Duffy served as the court-appointed liquidating trustee of the bankruptcy estate. From 1996 to 1999, Mr. Duffy served as Senior Vice President, General Counsel and Secretary of ETC w/tci, a sub-portfolio of TCI Ventures, Inc./Liberty Media Corporation. Mr. Duffy began his legal career with the law firm Ropes & Gray and holds law degrees from the University of Pennsylvania and Oxford University and a bachelor's degree in History of Science from Harvard College. Mr. Duffy is also the current Chairman of the Board of Directors of CORAR, the Council on Radionuclides and Radiopharmaceuticals, a national trade association for the radiopharmaceutical industry.

Michael Heslop joined Lantheus in June 2012 as our Vice President, International. Mr. Heslop possesses more than 25 years of general management and commercial experience. Prior to joining Lantheus, Mr. Heslop was General Manager and Senior Vice President, Biosurgical Specialties at Genzyme Corporation from 2009 to 2011. While at Genzyme, Mr. Heslop also held the positions of General Manager and Senior Vice President, Endocrinology from 2003 to 2009, and Vice President, Global Marketing, PGH Business from 2000 to 2003. Previously Mr. Heslop held the positions of Vice President, Business Development at Sciptgen Pharmaceuticals from 1998 to 2000 and Director,

Marketing Anti-Infectives at Glaxo Welcome USA from 1996 to 1998. Mr. Heslop received a B.S. degree in Biology from McGill University and an M.B.A. from Concordia University.

Philip Lockwood is our Vice President, Human Resources, a position he has held since February 2008. Prior to that, he served as Vice President, HR, for Indevus Pharmaceuticals, Inc. and from 2003 through 2007, he held a senior HR position at EMD Serono and its predecessor, Serono Inc. Mr. Lockwood holds a Bachelor of Arts from Siena College.

Dr. Cesare Orlandi joined Lantheus in March 2013 as Chief Medical Officer. Dr. Orlandi brings more than 20 years of diverse pharmaceutical industry experience. Prior to joining Lantheus, Dr. Orlandi served from January 2012 until February 2013 as Senior Vice President and Chief Medical Officer of TransTech Pharma, Inc., a clinical stage pharmaceutical company focused on discovery and development of human therapeutics. From 2007 until 2011, Dr. Orlandi served as Senior Vice President and Chief Medical Officer of Cardiokine, Inc., a specialty pharmaceutical company developing hospital products for cardiovascular indications. From 1998 until 2007, Dr. Orlandi served, in among other positions, as Vice President, Global Clinical Development of Otsuka Pharmaceuticals, a large Japanese pharmaceutical company. Earlier in his career, Dr. Orlandi served in increasing roles of clinical research responsibility at Medco Research, Inc. and the Radiopharmaceutical Division of The Du Pont Merck Pharmaceutical Company, a predecessor organization to Lantheus, and The Upjohn Company. Dr. Orlandi received his medical degree from the University of Pavia Medical School in Pavia, Italy. He is currently an Adjunct Assistant Professor of Medicine at Tufts University School of Medicine in Boston, Massachusetts, and he is a founding member of the American Society of Nuclear Cardiology, and a Fellow of the American College of Cardiology, the European Society of Cardiology and the American College of Angiology.

Dr. Simon Robinson is our Vice President, Research and Pharmaceutical Development, a position he has held since February 2010. Dr. Robinson was our Senior Director Discovery Research from 2008 to 2010 and our Director Discovery Biology and Veterinary Sciences from 2001 to 2008. Prior to joining us, he held research positions at BMS, Sphinx Pharmaceuticals, BASF and Dupont Pharmaceuticals. He holds a Ph.D. and B.Sc. in Pharmacology from the University of Leeds, England and did post-doctoral training at the University of Wisconsin Clinical Cancer Center.

Nigel Williams joined Lantheus Medical Imaging in April 2012 as Vice President, Quality. Mr. Williams brings more than 30 years of industry experience in manufacturing, quality and supply of a wide range of healthcare and diagnostic products. Prior to joining Lantheus, Mr. Williams served as Head of Quality for Merck KGaA Chemicals Operations from 2001- 2012, Vice President, Quality Management at EMD Millipore from 2009 - 2011 and Director of Manufacturing for Millipore Corporation from 2006 to 2009. He held the roles of Site General Manager from 2005 to 2006 and Director of operations from 2004 to 2005 for Celliance Limited. Mr. Williams received a B.S. honors degree in Applied Biology from Brunel University.

Cyrille Villeneuve was promoted to the role of Chief Commercial Officer in October 2011, responsible for global sales and marketing. Previously Mr. Villeneuve was our Vice President and General Manager, International, a position he held since November 2008. Prior to joining us in 1985, Mr. Villeneuve held positions at the Montreal Heart Institute and Hospital Hotel-Dieu Montreal. He holds a Bachelor of Arts from Montreal University and a Master of Public Administration from the Ecole Nationale Administration Publique.

David Burgstahler is a Director of Holdings, Lantheus Intermediate and LMI and the Chairman of our Compensation Committee, serving on our Board of Directors of each entity since January 2008. He is a founding partner of Avista since 2005 and since 2009, has been President of Avista. Prior to forming Avista, he was a partner of DLJMB. He was at DLJ Investment Banking from 1995 to 1997 and at DLJMB from 1997 through 2005. Prior to that, he worked at Andersen Consulting (now known as Accenture) and McDonnell Douglas (now known as Boeing). He holds a Bachelor of Science in

Aerospace Engineering from the University of Kansas and a Master of Business Administration from Harvard Business School. He currently serves as a Director of AngioDynamics Inc. (NASDAQ: ANGO), Armored AutoGroup Inc., ConvaTec Inc., INC Research Holdings, Inc., Strategic Partners, Inc., Visant Corporation and WideOpenWest, LLC. He previously served as a Director of Warner Chilcott plc (NASDAQ: WCRX) and BioReliance Holdings, Inc. Mr. Burgstahler was chosen as a Director because of his strong finance and management background, with over 18 years in banking and private equity finance. He has extensive experience serving as a director for a diverse group of private and public companies.

Samuel Leno is a Director of Holdings, Lantheus Intermediate and LMI and the Chairman of our Audit Committee, serving on the Board of Directors of Holdings since May 2012. Mr. Leno, is a strategic executive with more than 40 years of experience with complex multinational companies. He most recently held the positions of Executive Vice President and Chief Operations Officer at Boston Scientific. He previously served as Executive Vice President, Finance and Information Systems and Chief Financial Officer. He retired from Boston Scientific in December 2011. Prior to joining Boston Scientific, Mr. Leno served as Executive Vice President, Finance and Corporate Services and Chief Financial Officer at Zimmer Holdings, Inc. and Chief Financial Officer positions at Arrow Electronics, Inc., Corporate Express, Inc. and Coram Healthcare. Previously, he held a variety of senior financial positions at Baxter International, Inc. and American Hospital Supply Corporation. He is a member of the Board of Directors and the Audit Committee of Omnicare and is a member of the Advisory Board of the Harvard Business School Healthcare Initiative. He previously served on the Board and Audit Committee of Tomotherapy, Inc. Mr. Leno served as a Lieutenant in the United States Navy and is a Vietnam veteran. He holds a Bachelor of Science in Accounting from Northern Illinois University and an MBA from Roosevelt University. Mr. Leno was chosen as a Director because of his finance expertise and industry background.

Dr. Patrick O'Neill is a Director of Holdings, Lantheus Intermediate and LMI, serving on the Board of Directors of Holdings since February 2008. He is also an industry advisor for Avista, a position he has held since 2008. Prior to joining Avista, he was at Johnson & Johnson from 1976 to 2006, holding Research and Development and New Business Development leadership positions in Johnson & Johnson's pharmaceutical business, their Medical Devices and Diagnostics Group, and the surgical and interventional cardiology/radiology business units until he retired in February 2006. He served as Executive in Residence at New Enterprise Associates from March 2006 through 2007. He holds a Bachelor of Science in Pharmacy and Ph.D. in Pharmacology from The Ohio State University. He currently serves as Director of Navilyst Medical, Inc. and OptiNose US Inc. Dr. O'Neill was chosen as a Director because of his experience in the pharmaceutical industry. He has participated directly in the development of pharmaceutical products for other companies, which provides valuable insight into strategic business decisions.

Sriram Venkataraman is a Director of Holdings, Lantheus Intermediate and LMI, serving on the Board of Directors of Holdings since November 2010. He is also a Partner of Avista, having joined in May 2007. Prior to joining Avista, Mr. Venkataraman was a Vice President in the Healthcare Investment Banking group at Credit Suisse Group AG from 2001 to 2007. Previously, he worked at GE Healthcare (formerly known as GE Medical Systems) from 1996 to 1999. Mr. Venkataraman holds a Master of Science in Electrical Engineering from the University of Illinois, Urbana-Champaign and a Master of Business Administration with Honors from The Wharton School. He currently serves as a Director of AngioDynamics, Inc. (Nasdaq: ANGO) and OptiNose Inc. Mr. Venkataraman was chosen as a Director because of his experience in the healthcare industry and his strong finance and management background. He also has experience serving as a director of private and public companies.

Former Executives included in our Named Executive Officers

Don Kiepert was our President and Chief Executive Officer, a position he held from January 2008 to January 2013. He was also a Director of Holdings, Lantheus Intermediate and LMI, serving from January 2008 to January 2013. Mr. Kiepert ceased being our President and Chief Executive Officer effective January 23, 2013 (see "Item 11—Executive Compensation—Potential Payment Upon Termination or Change of Control —Employment Agreements and Arrangements" for additional details).

Robert Gaffey ceased being our Chief Financial Officer effective January 3, 2012 (see "Item 11—Executive Compensation—Potential Payment Upon Termination or Change of Control—Employment Agreements and Arrangements" for additional details).

Board of Directors

The Board of Directors is responsible for the management of our business. The Board of Directors is comprised of six directors. Directors who are elected annually serve in their position until their next election and until their successors are elected and qualified. Pursuant to the management and employee Shareholders Agreements described in "Item 13—Certain Relationships and Related Transactions, and Director Independence—Transactions with Related Persons—Shareholders Agreement," Avista has designation rights with respect to the composition of the Holdings board of directors and Avista is entitled to majority representation on any committee that the board creates. Messrs. Pickering, Kiepert, Burgstahler, O'Neill and Venkataraman were appointed pursuant to these agreements. Mr. Larry Pickering, our former Chairman retired from the Board in September 2012. Mr. Donald Kiepert, our former President & CEO, resigned from the Board in January 2013. Messrs. Markison and Leno were appointed to the Board in September 2012 and May 2012, respectively.

Although not formally considered by the Board of Directors of Holdings because our securities are not registered or traded on any national securities exchange, we believe that Mr. Markison and Mr. Leno would be considered independent for our Board of Directors and that Mr. Leno would be considered independent for our Audit Committee and that Mr. Markison would be considered independent for our Compensation Committee based upon the listing standards of the New York Stock Exchange.

Board Committees

The Audit Committee of Holdings is composed of Messrs. Leno and Venkataraman. Mr. Leno, the Chairman of the Audit Committee, has been designated by the Board of Directors of Holdings as our "audit committee financial expert." The Compensation Committee of Holdings is composed of Messrs. Burgstahler and Markison. Additionally, because we are a closely-held company with no public trading market for our common stock, the Board of Directors has not deemed it necessary for us to have a standing nominating committee or committee performing a similar function. Presently, all directors participate in the consideration of director nominees.

Code of Ethics

We have a code of conduct and ethics for all of our employees, including our principal executive, financial and accounting officers and our controller, or persons performing similar functions, and each of the non-employee directors on our Board of Directors. Our Company Code of Conduct is currently available on our website, www.lantheus.com. The information on our web site is not part of, and is not incorporated into, this annual report. We intend to provide any required disclosure of any amendment to or waiver from such code that applies to our principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions, in a Current Report on Form 8-K filed with the Commission.

Item 11. Executive Compensation

Compensation Discussion and Analysis

The Compensation Committee is generally charged with the oversight of our executive compensation program. The Compensation Committee is composed of Messrs. Burgstahler and Markison. Responsibilities of the Compensation Committee include the review and approval of the following items:

- executive compensation strategy and philosophy;
- compensation arrangements for executive management;
- design and administration of the annual incentive plan;
- design and administration of our equity incentive plans;
- executive benefits; and
- any other compensation or benefits related items deemed appropriate by the Compensation Committee.

In addition, the Compensation Committee considers the proper alignment of executive pay with our values and strategy by overseeing executive compensation policies, measuring and assessing corporate performance and taking into account our Chief Executive Officer's performance assessment of the Company.

The Compensation Committee engaged the services of an independent compensation consultant, Pearl Meyers & Partners, to assist in the strategic review of programs and arrangements relating to executive compensation and performance.

The following executive compensation discussion and analysis describes the principles underlying our executive compensation policies and decisions including material elements of compensation for our named executive officers. Our named executive officers for 2012 were:

- Donald Kiepert, (former) President and Chief Executive Officer;
- Jeffrey Young, Chief Financial Officer and Treasurer;
- Cyrille Villeneuve, Chief Commercial Officer;
- William Dawes, Vice President, Manufacturing & Operations;
- Nigel Williams, Vice President, Quality; and
- Robert Gaffey, (former) Chief Financial Officer and Treasurer.

As discussed in more detail below, the material elements and structure of our executive compensation program were negotiated and determined in connection with the Acquisition.

Compensation Philosophy and Objectives

The core philosophy of our executive compensation program is to support our primary objective of providing innovative medical imaging solutions to improve the treatment of human disease while enhancing our long-term value to our stockholders.

Specifically, the Compensation Committee believes the most effective executive compensation program for all executives, including named executive officers:

- reinforces our strategic initiatives;
- aligns the economic interests of our executives with those of our stockholders; and

- encourages attraction and long-term retention of key contributors.

The Compensation Committee considers the following factors when determining compensation for our executive officers, including our named executive officers:

- the executive's individual performance during the year;
- his or her projected role and responsibilities for the coming year;
- his or her actual and potential impact on the successful execution of our strategy;
- recommendations from our President and Chief Executive Officer and any independent compensation consultants, if used;
- an officer's prior compensation, experience, and professional status;
- the requirements of any applicable employment agreements;
- relative pay among the executive officers; and
- employment market conditions and compensation practices within our peer group.

The weighting of these and other relevant factors is determined on an individual basis for each executive upon consideration of the relevant facts and circumstances.

The Compensation Committee is committed to a strong, positive link between our objectives and our compensation practices. Our compensation philosophy also allows for flexibility in establishing executive compensation based on an evaluation of information prepared by management or other advisors and other objective and subjective considerations deemed appropriate by the Compensation Committee, subject to any contractual agreements with our executives. This flexibility is important to ensure our compensation programs are competitive and that our compensation decisions appropriately reflect the unique contributions and characteristics of the Company executive officers.

Compensation Benchmarking

The Compensation Committee ensures executives' pay levels are materially consistent with our compensation philosophy and objectives described above by conducting annual assessments of competitive executive compensation. We utilize data from publicly traded, similarly-sized pharmaceutical, biopharmaceutical and other life science companies as our primary source for competitive pay levels. However, the Compensation Committee does not support rigid adherence to benchmarks or compensatory formulas and strives to make compensation decisions which effectively support our compensation objectives and reflect the unique attributes of the Company and each executive.

For 2012 compensation for our executive officers, including our named executive officers, the Compensation Committee reviewed executive compensation data provided by Radford Life Sciences Survey, a nationally recognized survey source. The Compensation Committee looked at compensation data for life sciences companies, which most closely approximated our size, and, to the extent possible, had comparable position matches and compensation components.

For 2012 compensation for our President and Chief Executive Officer, data were also collected from a review of the following industry peers:

Acorda Therapeutics, Analogic, Angiodynamics, Arthrocare, Auxilium Pharmaceuticals, Greatbatch, Hi Tech Pharmaceuticals, ICU Medical, Impax Laboratories, Integra Lifesciences, Masimo, The Medicines Company, Merit Medical Systems, Myriad Genetics, Nordion, Nuvasive, Symmetry Medical, Thoratec, Viropharma and Volcano. The data used was from the most recent proxy available as of July 2012. This peer group had mean revenue of $409 million and a mean enterprise value of

$953 million. This peer group selection included 20 life science and specialty pharmaceutical companies. It was selected to best reflect similar sized companies in our industry with mature products, and full field sales operations.

Employment Agreements

In connection with the Acquisition, we entered into an employment agreement with Mr. Kiepert. We are currently finalizing the terms of our employment agreement with Mr. Bailey. Our other named executive officers are not subject to employment agreements.

Among other things, these agreements set the executives' compensation terms, their rights upon a termination of employment and restrictive covenants relating to non-competition, non-solicitation, and confidentiality. See "—Potential Payment Upon Termination or Change of Control —Employment Agreements and Arrangements."

Mr. Bailey's Compensation Package

As of January 23, 2013, Mr. Bailey succeeded Mr. Kiepert as our President & CEO. As such, Mr. Bailey's compensation is not reported in the 2012 compensation tables. While we are still finalizing the terms of our employment agreement with Mr. Bailey, we are currently paying him a salary at an annualized amount of $450,000.

Elements of Compensation

Our compensation program is heavily weighted towards performance based compensation, reflecting our philosophy of increasing our long-term value and supporting strategic imperatives, as discussed above. Total compensation and other benefits consist of the following elements:

- base salary;
- annual non-equity incentive compensation; and
- long-term equity incentives in the form of stock options.

We do not offer a defined benefit pension plan. The Compensation Committee supports a competitive employee benefit package, but does not support executive perquisites or other supplemental programs targeted to executives.

Base Salary

Base salaries are intended to provide reasonable and competitive fixed compensation for regular job duties. In response to the impact of the supply chain challenges on the financial earnings in 2012, the Compensation Committee did not approve any merit increases to salaries from 2011 to 2012.

Our general practice with respect to cash compensation is that executive base salaries and annual cash incentive compensation values should generally position total annual cash compensation at or below market median of similarly-sized life science companies. See "—Compensation Discussion and Analysis—Compensation Benchmarking." Cash compensation is generally below the median for those who were awarded larger option awards and more competitively aligned for recent hires. The salaries of all but one of our named executive officers were in the lowest quartile relative to our benchmarks.

As of December 31, 2012, the base salaries of Messrs. Kiepert, Young, Villeneuve, Dawes and Williams were as follows:

Name	Base Salary
Don Kiepert (former President & CEO)	$ 426,420
Jeffrey Young	$ 264,000
Cyrille Villeneuve	$ 300,060
William Dawes	$ 242,413
Nigel Williams	$ 275,000
Robert Gaffey (former CFO)	$ —

Annual Cash Incentive Compensation

Our 2012 Executive Leadership Team Incentive Bonus Plan (the "Bonus Plan") was intended to reward executive officers, including our named executive officers, for annual financial performance, performance of other corporate goals that may be long-term in nature and meeting or exceeding certain short-term objectives.

Cash incentive compensation under the Bonus Plan is subject to the achievement of a certain EBITDA target. For purposes of the Bonus Plan, we utilize management EBITDA, see "Item 6—Selected Financial Data—Non-GAAP Financial Measures" for the calculation of EBITDA as defined in t award agreements. The Bonus Plan provides for adjustments to the EBITDA targets by the Compensation Committee for extraordinary and unforeseen events.

The Compensation Committee chose to structure annual incentives on EBITDA for a number of reasons:

- it effectively measures our overall performance;
- it can be considered an important surrogate for cash flow, a critical metric related to servicing our outstanding debt;
- it is a key metric driving our valuation, consistent with the valuation approach used by industry analysts; and
- it is consistent with the metric used for the vesting of the financial performance portion of our option grants.

These EBITDA targets should not be understood as management's predictions of future performance or other guidance, and investors should not apply these in any other context. EBITDA targets were linked to our short-term and long-term business objectives to ensure incentives are provided for appropriate performance. The Compensation Committee believes our cash incentive compensation structure is consistent with competitive practice.

The potential bonus payouts under various scenarios in 2012 for our named executive officers were as follows:

Named Executive Officer	Threshold Bonus(1) (as % of Base Salary)	Target Bonus (as % of Base Salary)	Above Target Bonus (as % of Base Salary)
Don Kiepert	50%	100%	200%
Jeffrey Young	15%	30%	60%
Cyrille Villeneuve	15%	30%	60%
William Dawes	15%	30%	60%
Nigel Williams	15%	30%	60%
Robert Gaffey(2)	0%	0%	0%

(1) Assuming that named executive achieved his/her department and individual performance goals.

(2) Mr. Gaffey retired effective January 3, 2012 and was not eligible for a bonus in 2012.

For Mr. Kiepert, pursuant to his employment agreement, payout of the target level bonus was tied to the achievement of the EBITDA target and other corporate performance goals established by the Compensation Committee within the first three months of a given year. Pursuant to the Bonus Plan, for our other named executive officers with the exception of Mr. Williams, payout of the target level bonus was tied to the achievement of the EBITDA target and the achievement of certain department performance and individual performance goals. The achievement of the EBITDA target accounts for 50% of the total bonus award; while the achievement of department performance and individual performance goals accounts for 30% and 20%, respectively. Department performance goals are recommended and approved by our Chief Executive Officer at the start of each year. Achievement of individual performance goals are assessed by our Chief Executive Officer at the end of each year. These targets were intended to provide a meaningful incentive for executives to achieve or exceed performance goals.

If we did not meet the EBITDA target, but we met a level equal to at least 90% of the EBITDA target, then pursuant to the Bonus Plan, the Compensation Committee has discretion to award any percentage of the target bonus, calculated relative to the achievement of the named executive officer's performance goals, including department, individual and corporate performance goals. For example, if we did meet 90% of the EBITDA target and the executive achieved his or her department and individual performance goals, the executive would receive a threshold bonus equal to 50% of his or her bonus target. If we did not meet at least 90% of the EBITDA target, then no bonus is awarded.

If our EBITDA is above the EBITDA target, the Bonus Plan specifies a formula that would create a pool, or the Bonus Pool, not to exceed $2.0 million for discretionary allocation among the participants of the Bonus Plan, including our named executive officers. The Bonus Pool amount is set at approximately 4.5% of our incremental EBITDA for such year in excess of the EBITDA target. The maximum potential payout from the Bonus Pool for each participant, including our named executive officers, is 100% of their respective target bonus amount. As such, total maximum bonus awarded for above EBITDA target achievement would be double the target bonus amount of each participant, including our named executive officers.

As Mr. Williams joined us during 2012 while our profitability was impacted by the supply chain issues, the Compensation Committee structured his incentives with 100% weighting on achieving his department goals, without regard to the EBITDA target.

Our EBITDA target relative to the Bonus Plan for the fiscal year ended December 31, 2012 was established at $96 million. In the fiscal year ended December 31, 2012, our Adjusted EBITDA was approximately $59.1 million. For Mr. Kiepert in 2012, performance goals included, in addition to our

EBITDA goal: revenue goals for select products; responding to the supply challenge presented by the prolonged shutdown of the BVL facilities; dependent on market conditions and our performance, achieving certain financial goals; advancing flupiridaz F 18 in Phase 3 clinical trials; achieving and maintaining global regulatory, financial and safety compliance; expanding the International business including licensing agreements in China; completing business development goals including selecting partners to advance flurpiridaz F 18's global development and other pipeline products; and certain organizational objectives regarding succession, employee engagement, development and retention.

For Mr. Young, performance goals included: achieving the EBITDA target; developing contingency plans and employing expense controls within the business; successfully completing the 2011 audit; ensuring timely quarterly filings; meeting all debt requirements; leading a potential capital restructuring; increasing the efficiency and effectiveness of the treasury and tax functions; improving cash flow reporting; optimizing the financial close performance; enhancing organizational capabilities in financial and strategic planning and analysis; managing risk; ensuring SOX compliance; and supporting any additional financing initiatives.

For Mr. Villeneuve, performance goals included: achieving revenue goals for select products and markets; integrating the marketing plans to improve effectiveness and efficiencies; driving distribution partner agreements; implementing market research and sales analysis objectives; strengthening the competencies and skills of the marketing and sales organization; and fueling growth through business development including implementing a DEFINITY agreement in China.

For Mr. Dawes, performance goals included: responding to the supply challenge presented by the prolonged shutdown of the BVL facilities to avoid product supply interruptions; driving aggressive technology transfer programs; leading continuous operational improvement efforts and other quality initiatives to ensure compliance and patient safety; ensuring commercial readiness for flurpiridaz F 18; leveraging the Billerica site as a strategic asset; supporting cost recovery efforts with certain suppliers; and achieving defined operational performance metrics.

For Mr. Williams, performance goals included: improving quality, compliance and safety standards; support in resolving product issues with contract manufacturing organizations; driving quality aspects with technology transfer programs; ensuring quality compliance of PET manufacturing facilities; executing the manufacturing commercialization strategy for flurpiridaz F 18; enhancing organizational capabilities; and developing long term quality initiatives.

While the Compensation Committee reviewed each executive's performance relative to the non-EBITDA goals set forth above and recognized significant achievements and attainment of most individual objectives, the Compensation Committee concluded that no bonuses should be paid to Messrs. Kiepert, Young, Villeneuve and Dawes because we did not meet our EBITDA target. Mr. Williams achieved his bonus, which is based on his individual objectives on a weighted basis and consistent with his employment offer for his initial year, and is included as an incentive payment as reported in the 2012 Grant of Plan-Based Awards table.

Long-Term Equity Incentive Awards

In connection with the Acquisition, the Board of Directors approved and adopted the Lantheus MI Holdings, Inc. 2008 Equity Incentive Plan, or the 2008 Equity Plan, which allows grants of equity awards and options for shares of Holdings. The purpose of the 2008 Equity Plan is to:

- promote our long-term financial interests and growth by attracting and retaining management and other personnel and key service providers with the training, experience and abilities to enable them to make substantial contributions to the success of our business;
- motivate management personnel by means of growth-related incentives to achieve long range goals; and

- further the alignment of interests of participants with those of our stockholders through opportunities for increased stock or stock-based ownership in us.

Although we look at competitive long-term equity incentive award values when assessing our compensation programs, as described above under "—Compensation Discussion and Analysis—Compensation Benchmarking," we do not make annual executive option grants because, following the Acquisition, we issued large upfront stock option grants that vest over time and with the achievement of certain performance goals in lieu of annual grants. The Compensation Committee believes these stock option grants establish performance objectives and incentives and help align our executives' interests with the interests of the stockholders in fostering long-term value. They also motivate sustained increases in our financial performance and help ensure that the investors have received an appropriate return on their invested capital before executive officers receive significant value from these options.

In 2008, the Compensation Committee approved grants of options to Messrs. Kiepert, Young, Villeneuve, Dawes and Gaffey under the 2008 Equity Plan. The terms of these grants were consistent with the grants granted after the Acquisition. During 2012, the Committee approved a grant to Mr. Young in connection with his promotion to CFO, a supplemental grant of options to Mr. Villeneuve in recognition of his first year performance as Chief Commercial Officer and a new hire grant to Mr. Williams.

The options have an exercise price equal to fair market value on the date of grant. Since our common stock is not currently traded on a national securities exchange, fair market value is determined reasonably and in good faith by the Board of Directors.

These options have a ten-year term and are generally issued either as time based options, or the Time Vesting Options or EBITDA-based performance options, or the Performance Vesting Options. The combination of time and performance based vesting of these awards is designed to compensate our executive officers, including our named executive officers, for their long-term commitment to us. They are also designed to motivate sustained increases in our financial performance and help ensure that the investors have received an appropriate return on their invested capital before executive officers receive significant value from these options.

EBITDA is defined in the award agreements as the sum of net income (or loss) of the business or entity for such period; plus interest expense, income taxes, depreciation expenses, amortization expenses, all fees paid by us or any of our subsidiaries pursuant to the Advisory Services Agreements with Avista, dated as of January 8, 2008, non-recurring expenses for executive severance, relocation, recruiting and one-time compensation, the aggregate amount of all other non-cash charges reducing net income including stock-based compensation expense, retention bonuses paid in fiscal year 2008; all extraordinary losses; less all extraordinary gains in each case determined in accordance with GAAP. See "Item 6—Selected Financial Data—Non-GAAP Financial Measures" for the calculation of EBITDA as defined in the award agreements.

The Time Vesting Options are granted to aid in retention. Consistent with this goal, the Time Vesting Options granted to Messrs. Kiepert, Young, Villeneuve, Dawes and Gaffey in 2008 and subsequent grant to Messrs. Young, Villeneuve and Williams vest ratably on the grant date over the following five years.

The Performance Vesting Options are intended to motivate financial performance in line with investors' outlook for performance during our first five years. We chose EBITDA as the performance metric since it is a key driver of our valuation and for the reasons described above in "Annual Cash Incentive Compensation." The Performance Vesting Options granted to Messrs. Kiepert, Young, Villeneuve, Dawes, Williams and Gaffey are eligible to vest ratably in five equal installments if certain annual EBITDA targets are achieved. The EBITDA targets were established at the time of the

Acquisition and can be adjusted by the Board of Directors in consultation with our Chief Executive Officer as described below.

Due to the number of events that can occur within our industry in any given year that are beyond the control of management but may significantly impact EBITDA and our financial performance, such as significant fluctuations in the cost of raw materials and unit sales volume, and regulatory and reimbursement changes, we have incorporated certain vesting provisions into each stock option grant agreement that allow such Performance Vesting Options to vest later than the date specified. Performance Vesting Options that were eligible to vest but failed to vest due to our failure to achieve an EBITDA target in any given year may vest if we exceed the annual EBITDA target in a subsequent year.

Consistent with the EBITDA targets under the Bonus Plan, pursuant to the terms of the 2008 Equity Plan and the individual Stock Option Agreements governing each option grant, the Board of Directors, in consultation with our Chief Executive Officer, has the ability to adjust the EBITDA targets for significant events, changes in accounting rules and other customary adjustment events. We believe these adjustments may be necessary in order to effectuate the intents and purposes of our compensation plans and to avoid unintended consequences that are inconsistent with these intents and purposes. If our EBITDA is below the EBITDA target but is equal to at least 90% of the EBITDA target, then a percentage of the Performance Vesting Options vests in that year, calculated as follows:

$$\text{(10\% of possible vested Performance Vesting Options)} \times \frac{\text{(Incremental EBITDA over 90\% of EBITDA target)}}{\text{(EBITDA target—90\% of EBITDA target)}} + \text{(90\% of possible vested Performance Vesting Options)}$$

Our EBITDA target relative to performance vesting of options in 2012 exceeded our actual Adjusted EBITDA for the fiscal year ended December 31, 2012 of approximately $59.1 million. As a result, none of the Performance Vesting Options vested in 2012 out of a possible 20%.

We set our future EBITDA targets to reflect our initial outlook for annual EBITDA which progressively increased as we approached the then-expected launch dates of pipeline products.

For additional information concerning the options awarded in 2010, 2011 and 2012, see "—2012 Grants of Plan-Based Awards" and "—Outstanding Equity Awards at 2012 Fiscal Year-End."

Dividend Equivalent Rights (DERs)

In March of 2011, we completed a capital restructuring with an additional offering of New Restricted Notes. The net proceeds were used to fund a dividend to Holdings, which Holdings utilized to repurchase all of Holdings outstanding Series A Preferred Stock. The Holdings' Board of Directors also declared a dividend of approximately $1.93 per common share, substantially similar to each shareholders' initial investment. Given the potential impact of this capital restructuring on the underlying share value of stock options, the Holdings' Board of Directors also awarded a dividend equivalent right (DER) on all outstanding stock options. All option holders, including certain of our named executive officers, were paid a cash dividend of approximately $1.93 for each vested option. In recognition of management's efforts in 2012, the Compensation Committee determined to distribute the balance of the DERs to each employee who was actively employed by us at the time of such award.

The values of the DER cash payments paid in 2012 for Messrs Kiepert, Young, Villeneuve, Dawes and Gaffey were as follows:

Name	DER Cash Payments
Don Kiepert	$ 1,224,660
Jeffrey Young	$ 106,788
Cyrille Villeneuve	$ 102,929
William Dawes	$ 317,903
Robert Gaffey	$ 67,526

Mr. Williams joined Lantheus in 2012 and thus was not employed by us when the DERs were initially awarded. Holdings continues to hold $274,831 in escrow associated with Mr. Gaffey's DER, pending potential future vesting of his unvested Lantheus stock options.

Other Benefits

Retirement Plans

We offer a 401(k) qualified defined contribution retirement plan for U.S.-based employees, including named executive officers, with a 4.5% company match of the contributor's base salary. The company match was temporarily suspending from April 2012 to December 2012 and reinstated in January 2013. Mr. Villeneuve participates in deferred profit sharing plan (DPSP) plan in Canada which was funded with a contribution of 2.5% of eligible pay for 2012.

Personal Benefits

Except as otherwise discussed herein, other welfare and employee-benefit programs are the same for all of our eligible employees, including our named executive officers. Our other named executive officers do not receive additional benefits outside of those offered to our other employees.

Ownership Guidelines

In the event of exercise of an option grant, the resulting shares are subject to the provisions of the Employee Shareholder Agreement which restricts transfer and voting rights to ensure alignment with the initial investors. For example, Employee Shareholders (as defined in the Employee Shareholder Agreement) are restricted from transferring any of our securities, subject to certain exceptions outlined in the Employee Shareholder Agreement. We do not maintain formal ownership guidelines.

Severance and Change in Control Benefits

As noted above, Mr. Kiepert had entered into an employment agreement which details, among other things, his rights upon a termination of employment in exchange for non-competition, non-solicitation and confidentiality covenants. See "—Potential Payment Upon Termination or Change i Control."

Messrs. Young, Villeneuve, Dawes and Williams are covered under Lantheus' Severance Plan or the terms of their employment offer for six months of salary continuation if involuntarily terminated by us other than for cause. Mr. Gaffey elected to retire as of January 3, 2012 with no severance. However, the options granted to Mr. Gaffey under the 2008 Equity Plan will continue to vest for so long as he continues to serve as a consultant of ours in good standing through the vesting period.

We believe that reasonable severance benefits are appropriate in order to be competitive in our executive retention efforts. These benefits reflect the fact that it may be difficult for such executives to

find comparable employment within a short period of time. We also believe formalized severance arrangements are at times a competitive requirement to attract the required talent for the role.

Tax and Accounting Implications

We were not subject to Section 162(m) of the Internal Revenue Code, as amended in 2011. For 2012 and beyond, the CompensationCommittee will consider the impact of Section 162(m) in the design of its compensation strategies. Under Section 162(m), compensation paid to executive officers in excess of $1,000,000 cannot be taken by us as a tax deduction unless the compensation qualifies as performance-based compensation. We have determined, however, that we will not necessarily seek to limit executive compensation to amounts deductible under Section 162(m) if such limitation is not in the best interests of our stockholders. While considering the tax implications of its compensation decisions, the Compensation Committee believes its primary focus should be to attract, retain and motivate executives and to align the executives' interests with those of our stockholders.

The Compensation Committee operates its compensation programs with the good faith intention of complying with Section 409A of the Internal Revenue Code. We account for stock based payments with respect to our long-term equity incentive award programs in accordance with the requirements of ASC 718.

Compensation Risk Assessment

In consultation with the Compensation Committee, members of Human Resources, Legal and Finance groups conducted an annual assessment of whether our compensation policies and practices encourage excessive or inappropriate risk taking by our employees, including employees other than our named executive officers. This assessment included a review of the risk characteristics of our business and the design of our incentive plans and policies. Although a significant portion of our executive compensation program is performance-based, the Compensation Committee has focused on aligning our compensation policies with our long-term interests and avoiding rewards or incentive structures that could create unnecessary risks to us.

Management reported its findings to the Compensation Committee, which agreed with management's assessment that our plans and policies do not encourage excessive or inappropriate risk taking and determined such policies or practices are not reasonably likely to have a material adverse effect on us.

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Summary Compensation Table

The following table sets forth certain information with respect to compensation for the years ended December 31, 2012, 2011 and 2010 earned by or paid to our named executive officers.

Name and Principal Position	Year	Salary ($)	Bonus ($)(1)	Option Awards ($)(2)(3)	Non-Equity Incentive Plan Compensation ($)(4)	All Other Compensation ($)(5)(6)(7)	Total ($)
Donald Kiepert	2012	$406,739	$ —	$ —	$ —	$ 1,229,866	$1,636,605
(Former) President & CEO	2011	$422,538	$ —	$ —	$ —	$ 1,206,074	$1,628,612
	2010	$401,308	$ —	$ —	$ —	$ 15,049	$ 416,357
Jeffrey Young	2012	$251,354	$ —	$ 59,850	$ —	$ 109,774	$ 420,978
Chief Financial Officer	2011	$243,083	$40,550	$142,450	$ —	$ 48,850	$ 474,933
	2010	$221,711	$43,533	$ —	$ —	$ 9,977	$ 275,221
Cyrille Villeneuve	2012	$285,755(8)	$ —	$ 86,750	$ —	$ 237,565(8)	$ 610,070
Chief Commercial Officer	2011	$274,685	$ —	$100,250	$ —	$ 117,499	$ 492,434
	2010	$245,569	$ —	$ —	$ —	$ 33,905	$ 279,474
William Dawes	2012	$231,224	$ —	$ —	$ —	$ 321,817	$ 553,041
VP, Manufacturing & Ops	2011	$240,821	$ —	$ —	$ —	$ 319,543	$ 560,364
	2010	$226,990	$ —	$ —	$ —	$ 10,215	$ 237,205
Nigel Williams	2012	$179,808	$ —	$264,000	$ 82,500	$ 806	$ 527,114
VP, Quality	2011			(New hire in 2012)			
	2010						
Robert Gaffey	2012	$ 20,600	$ —	$ —	$ —	$ 193,940(9)	$ 214,540
(Former) Chief Financial Officer	2011	$265,700	$ —	$ —	$ —	$ 343,934	$ 609,634
	2010	$252,692	$ —	$ —	$ —	$ 11,039	$ 263,731

(1) Mr. Young was granted bonuses for his individual contributions to the business in 2011 and 2010 prior be promoted to the role of Chief Financial Officer.

(2) Mr. Williams received an initial stock option grant in conjunction with his employment offer in 2012. In January 2012, Mr. Young was granted a supplemental grant of stock options in connection with his promotion to CFO. In May 2012, Mr. Villeneuve was granted additional stock options in recognition of his first year performance as Chief Commercial Officer and to increase his alignment with shareholder's interests.

(3) Includes the grant date fair value of the stock option awards granted during the fiscal years ended December 31, 2012, 2011 and 2010, in accordance with ASC 718 with respect to options to purchase shares of our common stock awarded to the named executive officers in 2012, 2011 and 2010 under our 2008 Equity Plan. See "Item 7—Management's Discussion and Analysis o Financial Condition and Results of Operations—Critical Accounting Policies and Estimates—Accounting fo Stock-Based Compensation."

(4) For 2012, 2011 and 2010, Messrs. Kiepert, Villeneuve, Dawes and Gaffey did not earn bonuses under the Bonus Plan. For 2012, the first year he would be eligible to participate under the Bonus Plan, Mr. Young did not earn a bonus under the Bonus Plan. Mr. Williams earned an incentive payment under the Bonus Plan based on achievement of his department goals.

(5) Effective March 21, 2011, the Board of Directors declared a dividend of approximately $1.93 per common share and awarded a dividend equivalent right on all outstanding stock options. All option holders, including our named executive officers employed at the time, were paid a cash dividend of approximately $1.93 for each vested option. DERs on all unvested options as of March 21, 2011 were placed in escrow and were subject to forfeiture. In recognition of management's efforts in 2012, the Compensation Committee determined to distribute the balance of the DERs to each eligible active executive. Included in the All Other Compensation column above is the value of DERs distributed to Messrs. Kiepert, Young, Villeneuve, Dawes, and Gaffey were $1,224,660, $106,788, $102,929, $317,903 and $67,526, respectively, during 2012. The value of DERs distributed to Messrs. Kiepert, Young, Villeneuve, Dawes and Gaffey were $1,190,844, $37,911, $41,770, $309,125 and $332,904, respectively, during 2011.

(6) For Messrs. Kiepert, Young and Villeneuve, Dawes and Gaffey, the amounts reflect matching contributions to our defined contribution retirement plans in 2012 of $3,896, $1,676, $7,132, $2,657 and $927, respectively. For Messrs. Kiepert, Young, Villeneuve, Dawes and Gaffey, the amounts reflect matching contributions to our defined contribution retirement plans in 2011 of $15,230, $10,939, $16,398, $10,418 and $11,030, respectively. For Messrs. Kiepert, Young, Villeneuve, Dawes and Gaffey the amounts reflect matching contributions to our defined contribution retirement plans in 2010 of $15,049, $9,977, $18,744, $10,215 and $11,039, respectively.

(7) For Messrs. Kiepert, Young, Dawes, Williams and Gaffey, the amounts reflect employer contributions to our long term disability insurance premiums in 2012 of $1,310, $1,310, $1,257, $806 and $50, respectively. Prior to 2012, the employees were responsible for long term disability insurance premiums.

(8) Mr. Villeneuve serves LMI through our Canadian operations. As such, his salary and benefits are paid in Canadian dollars and are reflected in U.S. dollars in the table above using the average exchange rates of 1.0002, 1.0122, and 0.9704 for 2012, 2011 and 2010, respectively. Included in his "All Other Compensation", in addition to his DER distributions and retirement contributions detailed above, is $63,399 for housing, $42,708 for tax equalization payments, $15,627 for auto allowance and $5,770 for vacation distribution in 2012; $23,780 for housing, $14,761 for tax equalization payments, $15,815 for auto allowance and $4,975 for vacation distribution in 2011; and $15,161 for auto allowance in 2010.

Mr. Villeneuve is a Canadian citizen and is paid through our Canadian operations. Due to the extent of his activities in the United States, the Company is required to withhold taxes on his compensation in both Canada and the United States, and he is required to file personal tax returns in both the United States and Canada. In the United States, we deposit federal and state withholding taxes on his behalf which is excluded from the table above. Since these taxes are available for credit against his Canadian tax, these deposits are returned to us after Mr. Villeneuve receives his Canadian tax refund.

(9) Relative to Mr. Gaffey, included in his "All Other Compensation" in addition to his DER distributions and retirement contributions detailed above is $125,437 which was paid to him for consulting services he provided to us as an independent consultant (post employment) in 2012 to facilitate the transition.

2012 Grants of Plan-Based Awards

The following table sets forth certain information with respect to grants of plan-based awards for the year ended December 31, 2012 with respect to the named executive officers.

		Estimated Future Payouts Under Non-Equity Incentive Plan Awards			Estimated Future Payouts Under Equity Incentive Plan Awards			All Other Option Awards: Number of Securities Underlying Options	Exercise or Base Price of Option Awards
Name	Grant Date	Threshold ($)(1)	Target ($)(2)	Maximum ($)(3)	Threshold (#)	Target (#)	Maximum (#)	(#)	($/Sh)
Donald Kiepert	—	$ 213,210	$426,420	$ 852,840	—	—	—	—	—
Jeffrey Young	—	$ 39,600	$ 79,200	$ 158,400	—	—	—	—	—
	01/03/12(4)				1,350	7,500	7,500	7,500	$ 9.28
Cyrille Villeneuve		$ 45,009	$ 90,018	$ 180,036					
	05/08/12(5)				2,250	12,500	12,500	12,500	$ 8.20
William Dawes	—	$ 36,362	$ 72,724	$ 145,448	—	—	—	—	—
Nigel Williams		$ 41,250	$ 82,500	$ 165,000					
	04/24/12(6)				6,750	37,500	37,500	37,500	$ 8.20
Robert Gaffey	—	—	—	—	—	—	—	—	—

(1) The amounts shown in the "Threshold" column reflect the threshold payment, which is 50% of the amount shown in the "Target" column. See "—Compensation Discussion and Analysis—Elements of Compensation—Annual Cash Incentive Compensation."

(2) The amount show in the "Target" column is the potential cash incentive award given to our named executive officers if the EBITDA target is hit in 2012. For Mr. Kiepert that amount is 100% of his respective 2012 base salary. For Messrs. Young, Dawes and Williams, that amount is 30% of their respective 2012 base salaries. See "—Compensation Discussion and Analysis—Elements of Compensation—Annual Cash Incentive Compensation." As a result of his retiremen Mr. Gaffey was not eligible for an award in 2012.

(3) The amount shown in the "Maximum" column is 200% of the amount shown in the "Target" column. Pursuant to the Bonus Plan, if we achieve an EBITDA level that is greater than the EBITDA target, the Bonus Plan specifies a formula that would create a pool not to exceed $2.0 million in the aggregate for discretionary allocation among the eligible participants of the Bonus Plan. The maximum payment from the Bonus Pool for Mr. Kiepert is 200% of his base salary. The maximum for all other participants, including our other named executive officers, is 60% of their respective base salaries. See "—Compensation Discussion and Analysis—Elements of Compensation—Annual Cash Incentive Compensation."

(4) Mr. Young was granted a supplemental grant of 15,000 stock options with a ten-year term in recognition of his promotion to CFO. 7,500 of these options are Time Vesting Options and 7,500 are Performance Vesting Options. See "—Compensation Discussion and Analysis—Elements of Compensation—Long-Ter Equity Incentive Awards."

(5) Mr. Villeneuve was granted a supplemental grant of 25,000 stock options with a ten-year term in recognition of his first year performance as Chief Commercial Officer. 12,500 of these options are Time Vesting Options and 12,500 are Performance Vesting Options. See "—Compensation Discussion and Analysis —Elements of Compensation—Long-Term Equity Incentive Awards."

(6) Mr. Williams was granted 75,000 stock options with a ten-year term in connection with his offer of employment. 37,500 of these options are Time Vesting Options and 37,500 are Performance Vesting Options. See "—Compensation Discussion and Analysis—Elements of Compensation—Long-Term Equity Incentive Awards."

Outstanding Equity Awards at 2012 Fiscal Year-End

The following table includes certain information with respect to options held by the named executive officers as of December 31, 2012.

	Option Awards				
Name	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Equity Incentive Plan Awards: Securities of Underlying Unexercised Unearned Options (#)	Option Exercise Price ($)	Option Expiration Date
Don Kiepert (former President & CEO):					
Stock Options(1)	742,436	125,200	384,364	$ 2.00	02/24/18
Jeffrey Young:					
Stock Options(1)	29,650	5,000	15,350	$ 2.00	09/21/18
Stock Options(2)	2,500	10,000	12,500	$ 10.26	01/04/21
Stock Options(3)	1,000	4,000	5,000	$ 10.00	07/17/21
Stock Options(4)	—	7,500	7,500	$ 9.28	01/02/22
Cyrille Villeneuve:					
Stock Options(1)	23,720	4,000	12,280	$ 2.00	04/03/18
Stock Options(5)	3,930	2,000	4,070	$ 6.84	04/07/19
Stock Options(6)	2,500	10,000	12,500	$ 10.26	01/04/21
Stock Options(3)	—	12,500	12,500	$ 8.20	05/07/22
William Dawes:					
Stock Options(1)	192,725	32,500	99,775	$ 2.00	04/3/18
Nigel Williams:					
Stock Options(4)	—	37,500	37,500	$ 8.20	04/22/22
Robert Gaffey (former CFO):					
Stock Options(1)(6)	207,550	35,000	107,450	$ 2.00	04/3/18

(1) 80% of the Time Vesting Options were vested as of December 31, 2012 with 20% vesting in each of January 2009, 2010, 2011 and 2012. Upon the Compensation Committee's determination that we achieved the EBITDA performance targets, 20% of the Performance Vesting Options vested on April 16, 2009 and 18.6% vested in April 2010. The remaining shares subject to the Time Vesting Options vested in full in January 2013. We did not meet our EBITDA targets in 2010, 2011 or 2012, and as such, none of the Performance Vesting Options vested for those years. As EBITDA targets were not met for 2012, these options will remain unvested, subject to other vesting opportunities under the 2008 Equity Plan.

(2) 20% of the Time Vesting Options vested on January 5, 2012. The remaining shares subject to the Time Vesting Options will vest ratably over the next four years and will vest in full as of January 5, 2016 for Messrs. Young and Villeneuve, respectively. The first 20% tranche of performance did not vest on schedule as the EBITDA target for 2011 was not attained.

(3) 20% of the Time Vesting Options vested on July 18, 2012. The remaining shares subject to the Time Vesting Options will vest ratably over the next four years and will vest in full as of July 18, 2016 for Mr. Young. The first 20% tranche of performance did not vest on schedule as the EBITDA target for 2011 was not attained.

(4) The shares subject to the Time Vesting Options will vest ratably over the next five years and will vest in full as of January 3, 2017, May 7,2017 and April 24, 2017 for Messrs. Young, Villeneuve and Williams, respectively

(5) 60% of the Time Vesting Options were vested as of December 31, 2012 having 20% in each of April 2010, 2011 and 2012. Upon the Compensation Committee's determination that we achieved the EBITDA performance targets, 18.6% of the Performance Vesting Options vested in April 2010. An additional 20% of the Time Vesting Options vested in January 2013. We did not meet our EBITDA targets in 2010, 2011 or 2012, and as such, none of the Performance Vesting Options vested for those years. As EBITDA targets were not met for 2012, these options will remain unvested, subject to other vesting opportunities under the 2008 Equity Plan.

(6) Mr. Gaffey's option awards were amended as part of his retirement agreement with us effective January 3, 2012. Under the terms of the agreement, Mr. Gaffey's existing stock options were modified to allow for continued vesting and exercisability of his existing options for up to the full original term, or until 2018.

Option Exercises and Stock Vested in 2012

The named executive officers did not exercise any options during 2012. We do not offer any stock awards, other than stock options, from which vesting would occur.

2012 Pension Benefits

We do not offer our executives or others a pension plan. Retirement benefits are limited to participation in our 401(k) plan with a 4.5% employer match of the contributor's salary and a corresponding international plan. In 2012, the employer match was suspended from April through December and reinstated in January 2013.

Potential Payment Upon Termination or Change in Control

The information below describes and quantifies certain compensation that would become payable under certain named executive officer's employment agreements if, as of December 31, 2012, his employment had terminated or there was a change in control. Due to the number of factors that affect the nature and amount of any benefits provided upon the events discussed below, any actual amounts paid or distributed may be different. Factors that could affect these amounts include the timing during the year of any such event.

Employment Agreements and Arrangements

The only named executive officer for which we have or had an employment agreement with is Mr. Kiepert. We included below Mr. Kiepert's severance agreement with us which became effective February 19, 2013 and Mr. Gaffey's retirement agreement with us which became effective January 3, 2012.

Don Kiepert

On February 19, 2013, we entered into a separation agreement with Don Kiepert, our former President and Chief Executive Officer. Pursuant to his employment agreement, Mr. Kiepert will receive 12 months of severance payments totaling $426,000, continuation of life insurance and subsidized COBRA health benefits at the active employee rate for 12 months totaling $12,305. To effect a smooth leadership transition, Mr. Kiepert has also agreed to a consulting arrangement with us at a rate of $10,000 per month for 12 months. Mr. Kiepert will be paid a pro rata bonus for 2013 in the amount of $26,844 in early 2014.

Robert Gaffey

On January 3, 2012, we entered into a retirement agreement with Mr. Gaffey in conjunction with his retirement. Mr. Gaffey had provided Lantheus and its predecessors with 37 years of service. Under the terms of the agreement, Mr. Gaffey continued to provide limited consulting services at a rate of $200 per hour for up to 24 hours per week through March 30, 2012. After March 31, 2012, Mr. Gaffey was paid at an hourly rate of $150 per hour on an independent consultant basis as required by us. Mr. Gaffey's existing stock options were modified to allow for continued vesting, continued eligibility for payment of DERs and exercisability of his existing options for up to the full original term expiring in 2018. Mr. Gaffey is not eligible for any company benefits or other severance payments. Mr. Gaffey had not previously entered into an employment agreement with us. During 2012, Mr. Gaffey's fees for his post-employment independent consulting to us totaled $125,437.

2008 Equity Plan

The 2008 Equity Plan and each individual Stock Option Agreement provides for accelerated vesting of both Time Vesting Options and Performance Vesting Options granted under the 2008 Equity Plan upon a change of control if net cumulative cash proceeds received by our investors exceed certain multiples of their initial investment. If such a change in control occurred on December 31, 2012, each named executive officer's unvested Time Vesting Options and Performance Vesting Options would immediately vest and become exercisable. The aggregate dollar value of unvested stock options held by such named executive officer on December 31, 2012 as listed below.

Name		Aggregate Dollar Value of Options(1)
Don Kiepert (former President & CEO)	$	2,812,793
Jeffrey Young	$	112,332
Cyrille Villeneuve	$	93,993
William Dawes	$	730,158
Nigel Williams	$	—
Robert Gaffey (former CFO)	$	786,324

(1) The aggregate dollar value is the difference between the fair market value of shares of common stock on December 31, 2012 based upon an internal valuation model and the per share exercise price of each option, multiplied by the number of shares subject to the unvested option.

Director Compensation

The compensation paid to Mr. Kiepert, our former President & CEO and Director, is reported in the Summary Plan Compensation Table as he was paid only as named executive officer. We do not compensate our board members with per meeting fees. Our directors are reimbursed for any expenses incurred in connection with their services and as detailed in the table and notes below.

Name	Fees Earned or Paid in Cash ($)	All Other Compensation ($)	Total ($)
Brian Markison(1)	$ 15,897	$ 38,250	$ 54,147
David Burgstahler(2)	$ —	$ —	$ —
Samuel Leno(3)	$ 40,178	$ 37,500	$ 77,678
Dr. Patrick O'Neill(4)	$ 50,000	$ 38,586	$ 88,586
Sriram Venkataraman(2)	$ —	$ —	$ —
Larry Pickering(5) (former Chairman)	$ 133,654	$ 493,169	$ 626,823

(1) In 2012, Brian Markison was compensated with an annual retainer for his services on the Board of Directors of $50,000, paid in quarterly increments. In addition, Mr. Markison received $10,000, paid in quarterly increments for his service on the Compensation Committee. Mr. Markison received a grant of 12,500 stock options in Holdings in 2012. These options have a ten-year term and are Time Vesting Options vesting in full on the first anniversary of grant. On January 23, 2013, Mr. Markison was appointed Non-Executive Chairman of the Board of Holdings, Lantheus Intermediate and LMI. In connection with that appointment, (i) his director compensation was increased to $100,000 effective as of January 23, 2013, (ii) 4,760 shares of his previous 12,500 option grant were deemed to be vested with the balance of 7,740 shares terminated as forfeitures, (iii) he received a new grant of 26,596 option shares, vesting monthly over a 12-month basis, and (iv) on each anniversary date of his appointment, in consideration of his services as Chairman and for so long as he serves in that capacity, he will be granted a stock option to purchase $200,000 worth of common stock of Holdings, calculated as the multiple of the then fair market value times the number of shares necessary to equal $200,000.

(2) Messrs. Burgstahler and Venkataraman are Principals of Avista and do not receive any direct compensation for their services as Directors. We pay Avista a management fee of $1,000,000 annually pursuant to the Advisory Services and Management Agreement, dated as of January 8, 2008. See "Item 13—Certain Relationships and Related Party Transactions, and Director Independence—Transactions with Related Persons—Advisory and Monitoring Services Agreement."

(3) Samuel Leno is compensated with an annual retainer for his services on the Board of Director of $50,000, paid in quarterly increments. In addition, Mr. Leno receives $15,000, paid in quarterly increments for his role as Chairman of the Audit Committee. Mr. Leno received a grant of 12,500 stock options in Holdings in 2012. These options have a ten-year term and are Time Vesting Options vesting in full on the first anniversary of grant.

(4) Dr. Patrick O'Neill is compensated with an annual retainer for his services on the Board of Director of $50,000, paid in quarterly increments. Dr. O'Neill received a grant of 50,000 stock options in Holdings in 2008. These options have a ten-year term and are Time Vesting Options. 20% of the shares subject to the Time Vesting Options vested on each anniversary of the grant in 2008 - 2012. The remaining shares subject to the Time Vesting Options will be vested in full on January 8, 2013.

In March of 2011, in the same manner as all other stock option holders at the time, Dr. O'Neill received a dividend equivalent right of approximately $1.93 per option on his outstanding options of which $57,880 was paid in cash on his vested options. Payments for the balance of his dividend equivalent rights were authorized by the Compensation Committee in 2012 resulting in an additional distribution of $38,586.

(5) Mr. Pickering retired from the Board of Director effective September 30, 2012. He initially served as our Executive Chairman from January 2008 to January 2010 and functioned as an officer of the Company with direct oversight of Research & Development activities. On March 4, 2008, we entered into an employment agreement with Mr. Pickering, which was subsequently amended on October 19, 2008 and effective as of January 1, 2009, and also amended on January 4, 2010. Pursuant to the terms of his amended agreement, under which he is no longer an executive officer, Mr. Pickering received $133,654 in compensation during 2012. Mr. Pickering was not eligible for bonus, benefits or other perquisites.

On March 4, 2008 in recognition of Mr. Pickering's role with Avista in leading the Acquisition, Mr. Pickering was granted 751,200 stock options. These options vest 40% on the first year and ratably on the grant date over the following three years. 50% of these options are Time Vesting Options and 50% of these options are Performance Vesting Options. On April 20, 2009, Mr. Pickering received a supplemental grant of 50,000 options to purchase shares of Holdings in recognition of his contributions in connection with the Acquisition, pursuing an extension of the marketing exclusivity of Cardiolite and exceeding the EBITDA targets established for 2008. Anticipating Mr. Pickering's then-current executive role evolving into a non-employee director role in the future, Mr. Pickering's second award was granted as 100% Time Vesting Options, vesting ratably in four equal annual installments. As of April 2013, these options will be fully vested.

In March of 2011, in the same manner as all other stock option holders at the time, Mr. Pickering received a dividend equivalent right of approximately $1.93 per option on his outstanding options, of which $1,052,600 was paid in cash on his vested options. Payments for the balance of his dividend equivalent rights were authorized by the Compensation Committee in 2012 resulting in an additional distribution of $493,169.

Effective as of September 30, 2012, Mr. Pickering retired from the Board of Directors and under the terms of his severance arrangements his stock options were modified to allow for continued vesting and exercisability of his existing options for up to the full original ten-year term.

Compensation Committee Interlocks and Insider Participation

During 2012, the members of our Compensation Committee were Messrs. Burgstahler and Pickering, then Messrs. Burgstahler, Pickering and Markison, then Messrs. Burgstahler and Markinson. Mr. Burgstahler is the President of Avista. Mr. Pickering is a Partner of Avista and used to be our Executive Chairman, a role he relinquished effective January 8, 2010. Mr. Markison is a Healthcare Industry Executive with Avista. Avista provides us with advisory services pursuant to the Advisory Services and Monitoring Agreement (as defined below) and has entered into other transactions with us. See "Item 13—Certain Relationships and Related Person Transactions, and Director Independence—Transactions with Related Persons—Advisory a Monitoring Services Agreement."

Compensation Committee Report

Our Compensation Committee has reviewed and discussed the "Item 11—Executive Compensation—Compensation Discussion and Analysis" section with our management. Based upon this review and discussion, the Compensation Committee recommended to the Board of Directors that the "Item 11—Executive Compensation—Compensation Discussion and Analysis" section be included in this Annual Report on Form 10-K for the fisca year ended December 31, 2012.

Respectfully submitted by the Compensation Committee of the Board of Directors.

David Burgstahler
Brian Markison

The information contained in the foregoing report shall not be deemed to be "filed" or to be "soliciting material" with the Commission, nor shall such information be incorporated by reference into any future filing under the Securities Act of 1933 or the Exchange Act, except to the extent that we specifically incorporate it by reference in a filing.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

Principal Stockholders

Holdings indirectly owns all of our issued and outstanding capital stock through its direct subsidiary and our direct parent, Lantheus Intermediate. Avista Capital Partners, L.P., Avista Capital Partners (Offshore), L.P. and ACP-Lantern Co-Invest, LLC, or, together, the Avista Entities,collectively own approximately 99.5% of Holdings' issued and outstanding capital stock. Avista Capital Partners GP, LLC ultimately exercises voting and dispositive power over the shares held by Avista Capital Partners, L.P., Avista Capital Partners (Offshore), L.P. and ACP-Lantern Co-Invest, LLC. Voting and disposition decisions at Avista Capital Partners GP, LLC with respect to such shares are made by an investment committee, the members of which are Thompson Dean, Steven Webster, David Burgstahler, David Durkin, OhSang Kwon, Robert Cabes and Newton Aguiar. In connection with the Acquisition, certain members of management purchased shares of Holdings' common stock equaling approximately 0.5% of Holdings' issued and outstanding capital stock.

Securities Authorized for Issuance Under Equity Compensation Plans

The following table gives information as of December 31, 2012 about the common stock that may be issued under all of our existing equity compensation plans.

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights	Weighted Average Exercise Price of Outstanding Options, Warrants and Rights	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a))
Equity compensation plans approved by security holders	4,507,700	$ 2.95	466,530
Equity compensation plans not approved by security holders(1)	—	—	—
Total	4,507,700	$ 2.95	466,530

(1) Represents the 2008 Lantheus MI Holdings, Inc. 2008 Equity Incentive Plan.

Item 13. Certain Relationships and Related Transactions, and Director Independence

The Board of Directors has the responsibility to review and approve all transactions or series of related financial transactions, arrangements or relationships between us and any related party if the amount involved exceeds $120,000. We do not otherwise have any policies or procedures for the review, approval or ratification of such transactions.

Transactions with Related Persons

Shareholders Agreements

In connection with the Acquisition, Holdings entered into (i) a Shareholders Agreement with the Avista Entities and Don Kiepert, as Management Shareholder, dated January 8, 2008 and subsequently amended on February 26, 2008, or the Management Shareholders Agreement and (ii) an Employee

Shareholders Agreement with the Avista Entities and certain employee shareholders named therein, dated as of May 30, 2008, or the Employee Shareholders Agreement and, collectively with the Management Shareholders Agreement, the Shareholders Agreements. The Shareholders Agreements govern the parties' respective rights, duties and obligations with respect to the ownership of Holdings securities. Pursuant to the Shareholders Agreements, Avista has designation rights with respect to the composition of the Holdings board of directors and Avista is entitled to majority representation on any committee that the board creates. In addition, the Management Shareholder and the employee shareholders must vote their shares in such a manner that is consistent with the composition of the board designed by the Avista Entities.

Advisory and Monitoring Services Agreement

In connection with the closing of the Acquisition, we entered into an advisory services and monitoring agreement with Avista Capital Holdings, L.P., or Avista Capital Holdings, dated as of January 8, 2008, or the Advisory Services and Monitoring Agreement, pursuant to which ACP Lantern Acquisition, Inc. (a corporation which was merged into us as part of the Acquisition), paid Avista Capital Holdings a one-time fee equal to $10 million for the consulting and advisory and monitoring services to us, our subsidiaries and our parent companies, in connection with the Acquisition. In addition, the agreement provides for the payment of an annual fee equal to $1 million as consideration for ongoing advisory services. To the extent of any future transaction entered into by us or our affiliates, Avista Capital Holdings will receive an additional fee that is reasonable and customary for the services it provides in connection with such future transaction. In addition, we will pay directly, or reimburse Avista Capital Holdings for, its out-of-pocket expenses in connection with its performance of services under the Advisory Services and Monitoring Agreement.

INC Research Master Services Agreement

In the third quarter of 2012, we entered into a Master Contract Research Organization Services Agreement with INC Research, LLC ("INC") to provide clinical development services in connection with the flurpiridaz F 18 Phase 3 program. The agreement has a term of five years, and we incurred costs associated with this agreement of approximately $0.9 million in the year ended December 31, 2012. Avista Capital Partners and its affiliates are principal owners of both INC and the Company.

Quintiles Master Services Agreement

Effective as of June 30, 2009, we entered into a Master Services Agreement with Quintiles Commercial US, Inc., or Quintiles, (formerly known as Innovex Inc.) to provide a contract sales force in connection with the launch and promotion of Ablavar. As of December 31, 2010, we have incurred costs associated with this contract of approximately $4.3 million. The Statement of Work under the Master Services Agreement relating to the contract sales force was extended on June 11, 2010and terminated on December 31, 2010. John Pickering, a son of Larry Pickering, our former Chairman of the Board, was a Director of Business Development for Quintiles during part of the term of the agreement. He left Quintiles in June 2010 prior to the Statement of Work extension.

McGladrey Engagement

In March 2010, we engaged RSM McGladrey, Inc., or McGladrey, (formerly known as Caturano & Company), a tax and financial services consulting firm, to advise us about compliance requirements under the Sarbanes-Oxley Act. As of December 31, 2012, 2011 and 2010, we have incurred costs associated with this engagement of approximately $69,000, $117,000 and $176,000, respectively. Dan Gaffey, a son of Robert Gaffey, our former Chief Financial Officer, is a partner of McGladrey but has no other relationship with us and will not be working on the engagement in any capacity.

VWR Scientific Purchases

We purchase inventory supplies from VWR Scientific, VWR . Avista Capital Partners and certain affiliates are principal owners of both VWR and us. We made purchases of approximately $0.3 million during each of the years ended December 31, 2012, 2011 and 2010.

Director Independence

As disclosed in "Item 10—Directors, Executive Officers and Corporate Governance," although not formally considered by the Board of Directors of Holdings because our securities are not registered or traded on any national securities exchange, we believe that Mr. Markison and Mr. Leno would be considered independent for our Boards of Directors, that Mr. Leno would be considered independent for our Audit Committee and that Mr. Markison would be considered independent for our Compensation Committee, based upon the listing standards of the New York Stock Exchange.

Item 14. Principal Accountant Fees and Services

Deloitte & Touche LLP, or Deloitte, serves as our independent registered public accounting firm. The following table presents fees paid for the audit of our annual consolidated financial statements and all other professional services rendered by Deloitte for the years ended December 31, 2012 and 2011:

	Year Ended December 31,	
	2012	2011
Audit Fees	$ 1,443,412	$ 1,213,810
Audit-Related Fees	52,400	722,200
Tax Fees	31,750	8,414
Total Fees	$ 1,527,562	$ 1,944,424

Audit Fees

These are fees related to professional services rendered in connection with the audit of our annual financial statements, the reviews of the interim financial statements included in each of our quarterly reports on Form 10-Q, and other professional services provided by our independent registered public accounting firm in connection with statutory or regulatory filings or engagements. All other fees consist primarily of the reimbursement of expenses associated with completion of services noted above.

Audit-Related Fees

These are fees for assurance and related services that are reasonably related to performance of the audit and review of our financial statements, and which are not reported under "Audit Fees." These services consisted primarily of attestation services for such matters as required for consents related to financings, registration statements and other filings with the Commission.

Tax Fees

These are fees billed for professional services for tax compliance, tax advice and tax planning services.

Pre-Approval Policies

The services provided by Deloitte were pre-approved by the Audit Committee. The Audit Committee has considered whether the provision of the above-noted services is compatible with maintaining the independence of the independent registered public accounting firm and has determined that the provision of such services has not adversely affected Deloitte's independence. The Audit Committee approved 100% of the services covered by audit-related fees, tax fees and all other similar fees.

PART IV

Item 15. Exhibits and Financial Statement Schedules

(a)(1) Financial Statements

Included in Part II of this annual report:

(a)(2) Schedules

None.

(a)(3) Exhibits

Exhibit	Description
3.1	Certificate of Incorporation of Lantheus Medical Imaging, Inc., as amended (incorporated by reference to Exhibit 3.1 to Lantheus Medical Imaging, Inc.'s Registration Statement on Form S-4 filed with the Commission on October 6, 2010 (file number 333-169785)).
3.2	Second Amended and Restated By-Laws of Lantheus Medical Imaging, Inc (incorporated by reference to Exhibit 3.2 to Lantheus Medical Imaging, Inc.'s Registration Statement on Form S-4 filed with the Commission on October 6, 2010 (file number 333-169785)).
4.1	Indenture, dated as of May 10, 2010, among Lantheus Medical Imaging, Inc., Lantheus MI Intermediate, Inc. and Lantheus MI Real Estate, LLC as guarantors, and Wilmington Trust FSB, as trustee (incorporated by reference to Exhibit 4.1 to Lantheus Medical Imaging, Inc.'s Registration Statement on Form S-4 filed with the Commission on October 6, 2010 (file number 333-169785)).
4.2	First Supplemental Indenture, dated as of March 14, 2011, among Lantheus Medical Imaging, Inc., Lantheus MI Intermediate, Inc. and Lantheus MI Real Estate, LLC as guarantors, and Wilmington Trust FSB, as trustee (incorporated by reference to Exhibit 4.1 to Lantheus Medical Imaging, Inc.'s Current Report on Form 8-K filed with the Commission on March 16, 2011 (file number 333-169785)).
4.3	Second Supplemental Indenture, dated as of March 21, 2011, among Lantheus Medical Imaging, Inc., Lantheus MI Intermediate, Inc. and Lantheus MI Real Estate, LLC as guarantors, and Wilmington Trust FSB, as trustee (incorporated by reference to Exhibit 4.1 to Lantheus Medical Imaging, Inc.'s Current Report on Form 8-K filed with the Commission on March 21, 2011 (file number 333-169785)).
4.4	Registration Rights Agreement, dated May 10, 2010, by and among Lantheus Medical Imaging, Inc., Lantheus MI Intermediate, Inc. and Lantheus MI Real Estate, LLC, as guarantors, and Jefferies & Company, Inc. (incorporated by reference to Exhibit 4.2 to Lantheus Medical Imaging, Inc.'s Registration Statement on Form S-4 filed with the Commission on October 6, 2010 (file number 333-169785)).
4.3	Registration Rights Agreement, dated March 21, 2011, by and among Lantheus Medical Imaging, Inc., Jefferies & Company, Inc., as representative of the initial purchasers and the guarantors party thereto (incorporated by reference to Exhibit 4.2 to Lantheus Medical Imaging, Inc.'s Current Report on Form 8-K filed with the Commission on March 21, 2011 (file number 333-169785)).
4.5	Form of 9.750% Senior Notes due 2017 (included in Exhibit 4.1).
10.1	Credit Agreement, dated May 10, 2010, by and among Lantheus Medical Imaging, Inc., Lantheus MI Intermediate, Inc., Lantheus MI Real Estate LLC, the lenders from time to time party hereto, Harris N.A., as collateral agent, Bank of Montreal, as administrative agent, Bank of Montreal and NATIXIS as joint bookrunners, Bank of Montreal and NATIXIS as joint lead arrangers, NATIXIS as syndication agent and Jefferies Finance LLC as documentation agent (incorporated by reference to Exhibit 10.1 to Lantheus Medical Imaging, Inc.'s Registration Statement on Form S-4 filed with the Commission on October 6, 2010 (file number 333-169785)).

Exhibit	Description
10.2	Amendment No. 1 to Credit Agreement, dated as of March 21, 2011, by and among Lantheus Medical Imaging, Inc., as borrower, Lantheus MI Intermediate, Inc. and Lantheus MI Real Estate LLC, as guarantors, Bank of Montreal, as administrative agent, Harris N.A., as collateral agent and the other lenders party thereto (incorporated by reference to Exhibit 10.1 to Lantheus Medical Imaging, Inc.'s Current Report on Form 8-K filed with the Commission on March 21, 2011 (file number 333-169785)).
10.3	Pledge and Security Agreement, dated as of May 10, 2010, by and among Lantheus Medical Imaging, Inc., Lantheus MI Intermediate, Inc., Lantheus MI Real Estate, LLC and Harris N.A. as collateral agent (incorporated by reference to Exhibit 10.2 to Lantheus Medical Imaging, Inc.'s Registration Statement on Form S-4 filed with the Commission on October 6, 2010 (file number 333-169785)).
10.4	Advisory Services and Monitoring Agreement, dated January 8, 2007, by and between ACP Lantern Acquisition, Inc. (now known as Lantheus Medical Imaging, Inc.) and Avista Capital Holdings, L.P. (incorporated by reference to Exhibit 10.3 to Lantheus Medical Imaging, Inc.'s Registration Statement on Form S-4 filed with the Commission on October 6, 2010 (file number 333-169785)).
10.5	Amended and Restated Shareholders Agreement, dated as of February 26, 2008 among Lantheus MI Holdings, Inc., Avista Capital Partners, L.P., Avista Capital Partners (Offshore), L.P., ACP-Lantern Co-Invest, LLC and certain management shareholders named therein (incorporated by reference to Exhibit 10.4 to Lantheus Medical Imaging, Inc.'s Registration Statement on Form S-4 filed with the Commission on October 6, 2010 (file number 333-169785)).
10.6	Employee Shareholders Agreement, dated as of May 8, 2008, among Lantheus MI Holdings, Inc., Avista Capital Partners, L.P., Avista Capital Partners (Offshore), L.P., ACP-Lantern Co-Invest, LLC and certain employee shareholders named therein (incorporated by reference to Exhibit 10.5 to Lantheus Medical Imaging, Inc.'s Registration Statement on Form S-4 filed with the Commission on October 6, 2010 (file number 333-169785)).
10.7	Employment Agreement, dated January 8, 2008 by and between ACP Lantern Acquisition Inc. (now known as Lantheus Medical Imaging, Inc.) and Donald Kiepert (incorporated by reference to Exhibit 10.6 to Lantheus Medical Imaging, Inc.'s Registration Statement on Form S-4 filed with the Commission on October 6, 2010 (file number 333-169785)).
10.8	Employment Agreement, dated March 4, 2008 by and between Lantheus Medical Imaging, Inc. and Larry Pickering (incorporated by reference to Exhibit 10.7 to Lantheus Medical Imaging, Inc.'s Registration Statement on Form S-4 filed with the Commission on October 6, 2010 (file number 333-169785)).
10.9	Letter Amendment to Employment Agreement, dated January 4, 2010 by and between Lantheus Medical Imaging, Inc. and Larry Pickering (incorporated by reference to Exhibit 10.8 to Lantheus Medical Imaging, Inc.'s Registration Statement on Form S-4 filed with the Commission on December 1, 2010 (file number 333-169785)).
10.10†	Sales Agreement, dated as of April 1, 2009, between Lantheus Medical Imaging, Inc. and NTP Radioisotopes (Pty) Ltd. (incorporated by reference to Exhibit 10.9 to Lantheus Medical Imaging, Inc.'s Registration Statement on Form S-4 filed with the Commission on December 23, 2010 (file number 333-169785)).

Exhibit	Description
10.11†	Amendment No. 1 to Sales Agreement, dated as of January 1, 2010, between Lantheus Medical Imaging, Inc. and NTP Radioisotopes (Pty) Ltd. (incorporated by reference to Exhibit 10.10 to Lantheus Medical Imaging, Inc.'s Registration Statement on Form S-4 filed with the Commission on December 1, 2010 (file number 333-169785)).
10.12†	Amendment No. 2 to Sales Agreement, dated as of January 1, 2010, between Lantheus Medical Imaging, Inc. and NTP Radioisotopes (Pty) Ltd. (incorporated by reference to Exhibit 10.1 to Lantheus Medical Imaging, Inc.'s Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2011 (file number 333-169785)).
10.13†	Purchase and Supply Agreement, dated as of April 1, 2010, between Lantheus Medical Imaging, Inc. and Nordion (Canada) Inc. (formerly known as MDS Nordion, a division of MDS (Canada) Inc.) (incorporated by reference to Exhibit 10.12 to Lantheus Medical Imaging, Inc.'s Registration Statement on Form S-4 filed with the Commission on December 23, 2010 (file number 333-169785)).
10.14†	Amendment No. 1 to the Purchase and Supply Agreement, dated as of December 1, 2010, between Lantheus Medical Imaging, Inc. and Nordion (Canada) Inc. (incorporated by reference to Exhibit 10.13 to Lantheus Medical Imaging, Inc.'s Annual Report on Form 10-K for the fiscal year ended December 31, 2010 (file number 333-169785)).
10.15†	Amended and Restated Cardiolite License and Supply Agreement, dated January 1, 2004, by and between Lantheus Medical Imaging, Inc. and Cardinal Health 414, LLC (incorporated by reference to Exhibit 10.13 to Lantheus Medical Imaging, Inc.'s Registration Statement on Form S-4 filed with the Commission on December 23, 2010 (file number 333-169785)).
10.16†	Amendment No. 1 to the Amended and Restated Supply Agreement (Thallium and Generators), dated as of December 29, 2009 between Lantheus Medical Imaging, Inc. and Cardinal Health 414, LLC (incorporated by reference to Exhibit 10.26 to Lantheus Medical Imaging, Inc.'s Registration Statement on Form S-4 filed with the Commission on December 1, 2010 (file number 333-169785)).
10.17†	Amended and Restated Supply Agreement (Thallium and Generators), dated October 1, 2004, by and between Lantheus Medical Imaging, Inc. and Cardinal Health 414, LLC (incorporated by reference to Exhibit 10.14 to Lantheus Medical Imaging, Inc.'s Registration Statement on Form S-4 filed with the Commission on December 23, 2010 (file number 333-169785)).
10.18†	Agreement Concerning Cardiolite and TechneLite Generator Supply, Pricing and Rebates, dated as of February 1, 2008, by and between Lantheus Medical Imaging, Inc. and UPPI (incorporated by reference to Exhibit 10.15 to Lantheus Medical Imaging, Inc.'s Registration Statement on Form S-4 filed with the Commission on December 29, 2010 (file number 333-169785)).
10.19†	Amendment No. 1 to the Agreement Concerning Cardiolite and TechneLite Generator Supply, Pricing and Rebates, dated as of April 1, 2008 (incorporated by reference to Exhibit 10.29 to Lantheus Medical Imaging, Inc.'s Registration Statement on Form S-4 filed with the Commission on December 23, 2010 (file number 333-169785)).
10.20†	Amendment No. 2 to the Agreement Concerning Cardiolite and TechneLite Generator Supply, Pricing and Rebates, dated as of August 1, 2008 (incorporated by reference to Exhibit 10.30 to Lantheus Medical Imaging, Inc.'s Registration Statement on Form S-4 filed with the Commission on December 23, 2010 (file number 333-169785)).

Exhibit	Description
10.21†	Amendment No. 3 to the Agreement Concerning Cardiolite and TechneLite Generator Supply, Pricing and Rebates, dated as of May 1, 2009 (incorporated by reference to Exhibit 10.31 to Lantheus Medical Imaging, Inc.'s Registration Statement on Form S-4 filed with the Commission on December 23, 2010 (file number 333-169785)).
10.22†	Amendment No. 4 to the Agreement Concerning Cardiolite and TechneLite Generator Supply, Pricing and Rebates, dated as of April 1, 2011 (incorporated by reference to Exhibit 10.2 to Lantheus Medical Imaging, Inc.'s Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2011 (file number 333-169785)).
10.23†	Extension to the Agreement Concerning Cardiolite and TechneLite Generator Supply, Pricing and Rebates, dated as of January 1, 2011, between Lantheus Medical Imaging, Inc. and UPPI (incorporated by reference to Exhibit 10.21 to Lantheus Medical Imaging, Inc.'s Annual Report on Form 10-K for the fiscal year ended December 31, 2010 (file number 333-169785)).
10.24†	Amendment No. 5 to the Agreement Concerning Cardiolite and TechneLite Generator Supply, Pricing and Rebates, dated as of December 14, 2011 (incorporated by reference to Exhibit 10.25 to Lantheus Medical Imaging, Inc.'s Annual Report on Form 10-K for the fiscal year ended December 31, 2011 (file number 333-169785)).
10.25†	Distribution Agreement, dated as of October 31, 2001, by and between Bristol-Myers Squibb Pharma Company (now known as Lantheus Medical Imaging, Inc.) and Medi-Physics Inc., doing business as Amersham Health (incorporated by reference to Exhibit 10.16 to Lantheus Medical Imaging, Inc.'s Registration Statement on Form S-4 filed with the Commission on December 29, 2010 (file number 333-169785)).
10.26†	First Amendment to Distribution Agreement, dated as of January 1, 2005, by and between Bristol-Myers Squibb Medical Imaging, Inc. (formerly known as Bristol-Myers Squibb Pharma Company and now known as Lantheus Medical Imaging, Inc.) and Medi-Physics Inc., doing business as G.E. Healthcare (incorporated by reference to Exhibit 10.17 to Lantheus Medical Imaging, Inc.'s Registration Statement on Form S-4 filed with the Commission on December 1, 2010 (file number 333-169785)).
10.27†	Manufacturing and Supply Agreement, dated as of April 6, 2009, by and between Lantheus Medical Imaging, Inc., and Mallinckrodt Inc. (a subsidiary of Covidien PLC) (incorporated by reference to Exhibit 10.27 to Lantheus Medical Imaging, Inc.'s Registration Statement on Form S-4 filed with the Commission on December 23, 2010 (file number 333-169785)).
10.28†	Amendment No. 1 to the Manufacturing and Supply Agreement, dated as of August 2, 2010, by and between Lantheus Medical Imaging, Inc. and Mallinckrodt Inc. (a subsidiary of Covidien PLC) (incorporated by reference to Exhibit 10.28 to Lantheus Medical Imaging, Inc.'s Registration Statement on Form S-4 filed with the Commission on December 1, 2010 (file number 333-169785)).
10.29†	Amendment No. 2 to the Manufacturing and Supply Agreement, dated as of August 2, 2010, by and between Lantheus Medical Imaging, Inc. and Mallinckrodt Inc. (a subsidiary of Covidien PLC) (incorporated by reference to Exhibit 10.1 to Lantheus Medical Imaging, Inc.'s Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2011 (file number 333-169785)).

Exhibit	Description
10.30	Lantheus MI Holdings, Inc. 2008 Equity Incentive Plan (incorporated by reference to Exhibit 10.18 to Lantheus Medical Imaging, Inc.'s Registration Statement on Form S-4 filed with the Commission on October 6, 2010 (file number 333-169785)).
10.31	Amendment No. 1 to Lantheus MI Holdings, Inc. 2008 Equity Incentive Plan (incorporated by reference to Exhibit 10.19 to Lantheus Medical Imaging, Inc.'s Registration Statement on Form S-4 filed with the Commission on October 6, 2010 (file number 333-169785)).
10.32	Amendment No. 2 to Lantheus MI Holdings, Inc. 2008 Equity Incentive Plan (incorporated by reference to Exhibit 10.20 to Lantheus Medical Imaging, Inc.'s Registration Statement on Form S-4 filed with the Commission on October 6, 2010 (file number 333-169785)).
10.33	Form of Option Grant Award Agreement (incorporated by reference to Exhibit 10.21 to Lantheus Medical Imaging, Inc.'s Registration Statement on Form S-4 filed with the Commission on October 6, 2010 (file number 333-169785)).
10.34	Lantheus Medical Imaging, Inc. Employee Bonus Plan—2009 (incorporated by reference to Exhibit 10.22 to Lantheus Medical Imaging, Inc.'s Registration Statement on Form S-4 filed with the Commission on October 6, 2010 (file number 333-169785)).
10.35	Lantheus Medical Imaging, Inc. 2010 Executive Leadership Team Incentive Bonus Plan (incorporated by reference to Exhibit 10.31 to Lantheus Medical Imaging, Inc.'s Annual Report on Form 10-K for the fiscal year ended December 31, 2010 (file number 333-169785)).
10.36	Lantheus Medical Imaging, Inc. Severance Plan Policy (incorporated by reference to Exhibit 10.24 to Lantheus Medical Imaging, Inc.'s Registration Statement on Form S-4 filed with the Commission on October 6, 2010 (file number 333-169785)).
10.37	Letter Amendment to Employment Agreement, dated October 19, 2008 and effective as of January 1, 2009 by and between Lantheus Medical Imaging, Inc. and Larry Pickering (incorporated by reference to Exhibit 10.25 to Lantheus Medical Imaging, Inc.'s Registration Statement on Form S-4 filed with the Commission on December 1, 2010 (file number 333-169785)).
10.38	Employment Agreement, dated March 10, 2008, by and between Lantheus Medical Imaging, Inc. and Michael Duffy (incorporated by reference to Exhibit 10.21 to Lantheus Medical Imaging, Inc.'s Annual Report on Form 10 K for the fiscal year ended December 31, 2011 (file number 333-169785)).
10.39	Retirement Agreement, dated January 3, 2012, by and between Lantheus Medical Imaging, Inc. and Robert Gaffey (incorporated by reference to Exhibit 10.21 to Lantheus Medical Imaging, Inc.'s Annual Report on Form 10 K for the fiscal year ended December 31, 2011 (file number 333-169785)).
10.40	Amendment No. 2 to Credit Agreement, dated as of January 26, 2012, among Lantheus Medical Imaging, Inc., as borrower, Lantheus MI Intermediate, Inc. and Lantheus MI Real Estate, LLC, as guarantors, Bank of Montreal, as administrative agent, Harris N.A., as collateral agent and the other lenders party thereto (incorporated by reference to Exhibit 10.1 to Lantheus Medical Imaging, Inc.'s Current Report on Form 8-K filed with the Commission on January 30, 2012 (file number 333-169785)).

Exhibit	Description
10.41†	Second Amendment, effective as of January 1, 2012, to the Distribution Agreement, dated as of October 31, 2001, by and between Lantheus Medical Imaging, Inc., formerly known as Bristol-Myers Squibb Medical Imaging, Inc., and Medi-Physics, Inc., doing business as G.E. Healthcare Inc. (incorporated by reference to Exhibit 10.1 to Lantheus Medical Imaging, Inc.'s Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2012 (file number 333-169785)).
10.42†	Manufacturing and Supply Agreement, dated as of February 1, 2012, for the manufacture of DEFINITY® by and between Lantheus Medical Imaging, Inc. and Jubilant HollisterStier LLC (incorporated by reference to Exhibit 10.2 to Lantheus Medical Imaging, Inc.'s Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2012 (file number 333-169785)).
10.43†	Amendment No. 1, effective as of February 9, 2012, to the Amended and Restated Cardiolite License and Supply Agreement by and between Lantheus Medical Imaging, Inc. and Cardinal Health 414, LLC entered into as of January 1, 2009 and effective as of January 1, 2004 (incorporated by reference to Exhibit 10.3 to Lantheus Medical Imaging, Inc.'s Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2012 (file number 333-169785)).
10.44†	Settlement and Mutual Release Agreement, effective as of March 20, 2012, by and between Ben Venue Laboratories, Inc. and Lantheus Medical Imaging, Inc. (incorporated by reference to Exhibit 10.4 to Lantheus Medical Imaging, Inc.'s Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2012 (file number 333-169785)).
10.45†	Transition Services Agreement, effective as of March 20, 2012, by and between Ben Venue Laboratories, Inc. and Lantheus Medical Imaging, Inc. (incorporated by reference to Exhibit 10.5 to Lantheus Medical Imaging, Inc.'s Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2012 (file number 333-169785)).
10.46†	Manufacturing and Service Contract for Commercial Products, entered into as of March 20, 2012, by and between Ben Venue Laboratories, Inc. and Lantheus Medical Imaging, Inc. (incorporated by reference to Exhibit 10.6 to Lantheus Medical Imaging, Inc.'s Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2012 (file number 333-169785)).
10.47†	First Amendment to Manufacturing and Supply Agreement, dated as of May 3, 2012, for the manufacture of DEFINITY® by and between Lantheus Medical Imaging, Inc. and Jubilant HollisterStier LLC (incorporated by reference to Exhibit 10.1 to Lantheus Medical Imaging, Inc.'s Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2012 (file number 333-169785)).
10.48†	Manufacturing and Supply Agreement, dated as of May 3, 2012, for the manufacture of Cardiolite® by and between Lantheus Medical Imaging, Inc. and Jubilant HollisterStier LLC (incorporated by reference to Exhibit 10.2 to Lantheus Medical Imaging, Inc.'s Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2012 (file number 333-169785)).
10.49†	Manufacturing and Supply Agreement, dated as of May 3, 2012, for the manufacture of Neurolite® by and between Lantheus Medical Imaging, Inc. and Jubilant HollisterStier LLC (incorporated by reference to Exhibit 10.3 to Lantheus Medical Imaging, Inc.'s Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2012 (file number 333-169785)).

Exhibit	Description
10.50†	Amendment No. 6 to the Agreement Concerning Cardiolite® and TechneLite® Generator Supply, Pricing and Rebates, effective as of April 1, 2012, by and between Lantheus Medical Imaging, Inc. and United Pharmacy Partners, Inc. (incorporated by reference to Exhibit 10.4 to Lantheus Medical Imaging, Inc.'s Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2012 (file number 333-169785)).
10.51	Amendment No. 3 to Credit Agreement, dated as of October 11, 2012, among Lantheus Medical Imaging, Inc., as borrower, Lantheus MI Intermediate, Inc. and Lantheus MI Real Estate, LLC, as guarantors, Bank of Montreal, as administrative agent, Harris N.A., as collateral agent and the other lenders party thereto (incorporated by reference to Exhibit 10.1 to Lantheus Medical Imaging, Inc.'s Current Report on Form 8-K filed with the Commission on October 16, 2012 (file number 333-169785)).
10.52* †	Amendment No. 2, dated as of October 15, 2012, to the Purchase and Supply Agreement between Lantheus Medical Imaging, Inc. and Nordion (Canada) Inc.
10.53* †	Amendment No. 3, effective as of October 1, 2012, to Sales Agreement between Lantheus Medical Imaging, Inc. and NTP Radioisotopes (Pty) Ltd.
10.54* †	Amendment No. 2, effective as of December 27, 2012, to the Amended and Restated Supply Agreement (Thallium and Generators) between Lantheus Medical Imaging, Inc. and Cardinal Health 414, LLC.
10.55* †	Amendment No. 2, effective as of December 27, 2012, to the Amended and Restated Cardiolite® License and Supply Agreement by and between Lantheus Medical Imaging, Inc. and Cardinal Health 414, LLC.
10.56* †	License and Distribution Agreement, effective as of January 1, 2013, by and between Lantheus Medical Imaging, Inc. and FUJIFILM RI Pharma Co., Ltd.
10.57*	Separation Agreement, dated February 19, 2013, by and between Lantheus Medical Imaging, Inc. and Don Kiepert.
10.58*	Amendment No. 5 to Credit Agreement, dated as of March 25, 2013, among Lantheus Medical Imaging, Inc., as borrower, Lantheus MI Intermediate, Inc. and Lantheus MI Real Estate, LLC, as guarantors, Bank of Montreal, as administrative agent, Harris N.A., as collateral agent and the other lenders party thereto.
12.1*	Statements re: Computation of Ratio of Earnings to Fixed Charges.
14.1	Lantheus Medical Imaging, Inc. Company Code of Conduct and Ethics (incorporated by reference to Exhibit 14.1 to Lantheus Medical Imaging, Inc.'s Annual Report on Form 10-K for the year ended December 31, 2010 (file number 333-169785)).
14.2	Lantheus Medical Imaging, Inc. Compliance Code. (incorporated by reference to Exhibit 14.2 to Lantheus Medical Imaging, Inc.'s Annual Report on Form 10-K for the year ended December 31, 2010 (file number 333-169785)).
21.1	Subsidiaries of Lantheus MI Intermediate, Inc. and Lantheus Medical Imaging, Inc. (incorporated by reference to Exhibit 21.1 to Lantheus Medical Imaging, Inc.'s Annual Report on Form 10-K for the year ended December 31, 2010 (file number 333-169785)).
24.1*	Power of Attorney (included as part of the signature page hereto).
31.1*	Certification of Chief Executive Officer pursuant to Rule 13a-14 Securities Exchange Act Rules 13a-14(a) and 15d-14(a), pursuant to section 302 of the Sarbanes-Oxley Act of 2002.

Exhibit	Description
31.2*	Certification of Chief Financial Officer pursuant to Rule 13a-14 Securities Exchange Act Rules 13a-14(a) and 15d-14(a), pursuant to section 302 of the Sarbanes-Oxley Act of 2002.
32.1**	Certification of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted by Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS*	XBRL Instance
101.SCH*	XBRL Taxonomy Extension Schema
101.CAL*	XBRL Taxonomy Extension Calculation
101.DEF*	XBRL Taxonomy Extension Definition
101.LAB*	XBRL Taxonomy Extension Labels
101.PRE*	XBRL Taxonomy Extension Presentation

* Filed herewith.

** Furnished herewith.

† Confidential treatment requested as to certain portions, which portions have been filed separately with the Securities and Exchange Commission.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

LANTHEUS MEDICAL IMAGING, INC.

By: /s/ JEFFREY BAILEY

Name: Jeffrey Bailey

Title: *President and Chief Executive Officer*

Date: March 28, 2013

We, the undersigned directors and officers of Lantheus Medical Imaging, Inc., hereby severally constitute and appoint Jeffrey Bailey, Jeffrey E. Young and Michael P. Duffy, and each of them individually, with full powers of substitution and resubstitution, our true and lawful attorneys, with full powers to them and each of them to sign for us, in our names and in the capacities indicated below, any and all amendments to this Annual Report on Form 10-K filed with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, each acting alone, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming that any such attorney-in-fact and agent, or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ JEFFREY BAILEY Jeffrey Bailey	President, Chief Executive Officer and Director (Principal Executive Officer)	March 28, 2013
/s/ JEFFREY E. YOUNG Jeffrey E. Young	Chief Financial Officer and Treasurer (Principal Financial Officer)	March 28, 2013
/s/ BRIAN MARKISON Brian Markison	Chairman of the Board of Directors	March 28, 2013
/s/ DAVID BURGSTAHLER David Burgstahler	Director	March 28, 2013
/s/ SAMUEL R. LENO Sam R. Leno	Director	March 28, 2013
/s/ PATRICK J. O'NEILL Patrick J. O'Neill	Director	March 28, 2013
/s/ SRIRAM VENKATARAMAN Sriram Venkataraman	Director	March 28, 2013

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EXHIBIT INDEX

Exhibit	Description
3.1	Certificate of Incorporation of Lantheus Medical Imaging, Inc., as amended (incorporated by reference to Exhibit 3.1 to Lantheus Medical Imaging, Inc.'s Registration Statement on Form S-4 filed with the Commission on October 6, 2010 (file number 333-169785)).
3.2	Second Amended and Restated By-Laws of Lantheus Medical Imaging, Inc (incorporated by reference to Exhibit 3.2 to Lantheus Medical Imaging, Inc.'s Registration Statement on Form S-4 filed with the Commission on October 6, 2010 (file number 333-169785)).
4.1	Indenture, dated as of May 10, 2010, among Lantheus Medical Imaging, Inc., Lantheus MI Intermediate, Inc. and Lantheus MI Real Estate, LLC as guarantors, and Wilmington Trust FSB, as trustee (incorporated by reference to Exhibit 4.1 to Lantheus Medical Imaging, Inc.'s Registration Statement on Form S-4 filed with the Commission on October 6, 2010 (file number 333-169785)).
4.2	First Supplemental Indenture, dated as of March 14, 2011, among Lantheus Medical Imaging, Inc., Lantheus MI Intermediate, Inc. and Lantheus MI Real Estate, LLC as guarantors, and Wilmington Trust FSB, as trustee (incorporated by reference to Exhibit 4.1 to Lantheus Medical Imaging, Inc.'s Current Report on Form 8-K filed with the Commission on March 16, 2011 (file number 333-169785)).
4.3	Second Supplemental Indenture, dated as of March 21, 2011, among Lantheus Medical Imaging, Inc., Lantheus MI Intermediate, Inc. and Lantheus MI Real Estate, LLC as guarantors, and Wilmington Trust FSB, as trustee (incorporated by reference to Exhibit 4.1 to Lantheus Medical Imaging, Inc.'s Current Report on Form 8-K filed with the Commission on March 21, 2011 (file number 333-169785)).
4.4	Registration Rights Agreement, dated May 10, 2010, by and among Lantheus Medical Imaging, Inc., Lantheus MI Intermediate, Inc. and Lantheus MI Real Estate, LLC, as guarantors, and Jefferies & Company, Inc. (incorporated by reference to Exhibit 4.2 to Lantheus Medical Imaging, Inc.'s Registration Statement on Form S-4 filed with the Commission on October 6, 2010 (file number 333-169785)).
4.3	Registration Rights Agreement, dated March 21, 2011, by and among Lantheus Medical Imaging, Inc., Jefferies & Company, Inc., as representative of the initial purchasers and the guarantors party thereto (incorporated by reference to Exhibit 4.2 to Lantheus Medical Imaging, Inc.'s Current Report on Form 8-K filed with the Commission on March 21, 2011 (file number 333-169785)).
4.5	Form of 9.750% Senior Notes due 2017 (included in Exhibit 4.1).
10.1	Credit Agreement, dated May 10, 2010, by and among Lantheus Medical Imaging, Inc., Lantheus MI Intermediate, Inc., Lantheus MI Real Estate LLC, the lenders from time to time party hereto, Harris N.A., as collateral agent, Bank of Montreal, as administrative agent, Bank of Montreal and NATIXIS as joint bookrunners, Bank of Montreal and NATIXIS as joint lead arrangers, NATIXIS as syndication agent and Jefferies Finance LLC as documentation agent (incorporated by reference to Exhibit 10.1 to Lantheus Medical Imaging, Inc.'s Registration Statement on Form S-4 filed with the Commission on October 6, 2010 (file number 333-169785)).
10.2	Amendment No. 1 to Credit Agreement, dated as of March 21, 2011, by and among Lantheus Medical Imaging, Inc., as borrower, Lantheus MI Intermediate, Inc. and Lantheus MI Real Estate LLC, as guarantors, Bank of Montreal, as administrative agent, Harris N.A., as collateral agent and the other lenders party thereto (incorporated by reference to Exhibit 10.1 to Lantheus Medical Imaging, Inc.'s Current Report on Form 8-K filed with the Commission on March 21, 2011 (file number 333-169785)).

Exhibit	Description
10.3	Pledge and Security Agreement, dated as of May 10, 2010, by and among Lantheus Medical Imaging, Inc., Lantheus MI Intermediate, Inc., Lantheus MI Real Estate, LLC and Harris N.A. as collateral agent (incorporated by reference to Exhibit 10.2 to Lantheus Medical Imaging, Inc.'s Registration Statement on Form S-4 filed with the Commission on October 6, 2010 (file number 333-169785)).
10.4	Advisory Services and Monitoring Agreement, dated January 8, 2007, by and between ACP Lantern Acquisition, Inc. (now known as Lantheus Medical Imaging, Inc.) and Avista Capital Holdings, L.P. (incorporated by reference to Exhibit 10.3 to Lantheus Medical Imaging, Inc.'s Registration Statement on Form S-4 filed with the Commission on October 6, 2010 (file number 333-169785)).
10.5	Amended and Restated Shareholders Agreement, dated as of February 26, 2008 among Lantheus MI Holdings, Inc., Avista Capital Partners, L.P., Avista Capital Partners (Offshore), L.P., ACP-Lantern Co-Invest, LLC and certain management shareholders named therein (incorporated by reference to Exhibit 10.4 to Lantheus Medical Imaging, Inc.'s Registration Statement on Form S-4 filed with the Commission on October 6, 2010 (file number 333-169785)).
10.6	Employee Shareholders Agreement, dated as of May 8, 2008, among Lantheus MI Holdings, Inc., Avista Capital Partners, L.P., Avista Capital Partners (Offshore), L.P., ACP-Lantern Co-Invest, LLC and certain employee shareholders named therein (incorporated by reference to Exhibit 10.5 to Lantheus Medical Imaging, Inc.'s Registration Statement on Form S-4 filed with the Commission on October 6, 2010 (file number 333-169785)).
10.7	Employment Agreement, dated January 8, 2008 by and between ACP Lantern Acquisition Inc. (now known as Lantheus Medical Imaging, Inc.) and Donald Kiepert (incorporated by reference to Exhibit 10.6 to Lantheus Medical Imaging, Inc.'s Registration Statement on Form S-4 filed with the Commission on October 6, 2010 (file number 333-169785)).
10.8	Employment Agreement, dated March 4, 2008 by and between Lantheus Medical Imaging, Inc. and Larry Pickering (incorporated by reference to Exhibit 10.7 to Lantheus Medical Imaging, Inc.'s Registration Statement on Form S-4 filed with the Commission on October 6, 2010 (file number 333-169785)).
10.9	Letter Amendment to Employment Agreement, dated January 4, 2010 by and between Lantheus Medical Imaging, Inc. and Larry Pickering (incorporated by reference to Exhibit 10.8 to Lantheus Medical Imaging, Inc.'s Registration Statement on Form S-4 filed with the Commission on December 1, 2010 (file number 333-169785)).
10.10†	Sales Agreement, dated as of April 1, 2009, between Lantheus Medical Imaging, Inc. and NTP Radioisotopes (Pty) Ltd. (incorporated by reference to Exhibit 10.9 to Lantheus Medical Imaging, Inc.'s Registration Statement on Form S-4 filed with the Commission on December 23, 2010 (file number 333-169785)).
10.11†	Amendment No. 1 to Sales Agreement, dated as of January 1, 2010, between Lantheus Medical Imaging, Inc. and NTP Radioisotopes (Pty) Ltd. (incorporated by reference to Exhibit 10.10 to Lantheus Medical Imaging, Inc.'s Registration Statement on Form S-4 filed with the Commission on December 1, 2010 (file number 333-169785)).
10.12†	Amendment No. 2 to Sales Agreement, dated as of January 1, 2010, between Lantheus Medical Imaging, Inc. and NTP Radioisotopes (Pty) Ltd. (incorporated by reference to Exhibit 10.1 to Lantheus Medical Imaging, Inc.'s Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2011 (file number 333-169785)).

Exhibit	Description
10.13†	Purchase and Supply Agreement, dated as of April 1, 2010, between Lantheus Medical Imaging, Inc. and Nordion (Canada) Inc. (formerly known as MDS Nordion, a division of MDS (Canada) Inc.) (incorporated by reference to Exhibit 10.12 to Lantheus Medical Imaging, Inc.'s Registration Statement on Form S-4 filed with the Commission on December 23, 2010 (file number 333-169785)).
10.14†	Amendment No. 1 to the Purchase and Supply Agreement, dated as of December 1, 2010, between Lantheus Medical Imaging, Inc. and Nordion (Canada) Inc. (incorporated by reference to Exhibit 10.13 to Lantheus Medical Imaging, Inc.'s Annual Report on Form 10-K for the fiscal year ended December 31, 2010 (file number 333-169785)).
10.15†	Amended and Restated Cardiolite License and Supply Agreement, dated January 1, 2004, by and between Lantheus Medical Imaging, Inc. and Cardinal Health 414, LLC (incorporated by reference to Exhibit 10.13 to Lantheus Medical Imaging, Inc.'s Registration Statement on Form S-4 filed with the Commission on December 23, 2010 (file number 333-169785)).
10.16†	Amendment No. 1 to the Amended and Restated Supply Agreement (Thallium and Generators), dated as of December 29, 2009 between Lantheus Medical Imaging, Inc. and Cardinal Health 414, LLC (incorporated by reference to Exhibit 10.26 to Lantheus Medical Imaging, Inc.'s Registration Statement on Form S-4 filed with the Commission on December 1, 2010 (file number 333-169785)).
10.17†	Amended and Restated Supply Agreement (Thallium and Generators), dated October 1, 2004, by and between Lantheus Medical Imaging, Inc. and Cardinal Health 414, LLC (incorporated by reference to Exhibit 10.14 to Lantheus Medical Imaging, Inc.'s Registration Statement on Form S-4 filed with the Commission on December 23, 2010 (file number 333-169785)).
10.18†	Agreement Concerning Cardiolite and TechneLite Generator Supply, Pricing and Rebates, dated as of February 1, 2008, by and between Lantheus Medical Imaging, Inc. and UPPI (incorporated by reference to Exhibit 10.15 to Lantheus Medical Imaging, Inc.'s Registration Statement on Form S-4 filed with the Commission on December 29, 2010 (file number 333-169785)).
10.19†	Amendment No. 1 to the Agreement Concerning Cardiolite and TechneLite Generator Supply, Pricing and Rebates, dated as of April 1, 2008 (incorporated by reference to Exhibit 10.29 to Lantheus Medical Imaging, Inc.'s Registration Statement on Form S-4 filed with the Commission on December 23, 2010 (file number 333-169785)).
10.20†	Amendment No. 2 to the Agreement Concerning Cardiolite and TechneLite Generator Supply, Pricing and Rebates, dated as of August 1, 2008 (incorporated by reference to Exhibit 10.30 to Lantheus Medical Imaging, Inc.'s Registration Statement on Form S-4 filed with the Commission on December 23, 2010 (file number 333-169785)).
10.21†	Amendment No. 3 to the Agreement Concerning Cardiolite and TechneLite Generator Supply, Pricing and Rebates, dated as of May 1, 2009 (incorporated by reference to Exhibit 10.31 to Lantheus Medical Imaging, Inc.'s Registration Statement on Form S-4 filed with the Commission on December 23, 2010 (file number 333-169785)).
10.22†	Amendment No. 4 to the Agreement Concerning Cardiolite and TechneLite Generator Supply, Pricing and Rebates, dated as of April 1, 2011 (incorporated by reference to Exhibit 10.2 to Lantheus Medical Imaging, Inc.'s Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2011 (file number 333-169785)).

Exhibit	Description
10.23†	Extension to the Agreement Concerning Cardiolite and TechneLite Generator Supply, Pricing and Rebates, dated as of January 1, 2011, between Lantheus Medical Imaging, Inc. and UPPI (incorporated by reference to Exhibit 10.21 to Lantheus Medical Imaging, Inc.'s Annual Report on Form 10-K for the fiscal year ended December 31, 2010 (file number 333-169785)).
10.24†	Amendment No. 5 to the Agreement Concerning Cardiolite and TechneLite Generator Supply, Pricing and Rebates, dated as of December 14, 2011 (incorporated by reference to Exhibit 10.25 to Lantheus Medical Imaging, Inc.'s Annual Report on Form 10-K for the fiscal year ended December 31, 2011 (file number 333-169785)).
10.25†	Distribution Agreement, dated as of October 31, 2001, by and between Bristol-Myers Squibb Pharma Company (now known as Lantheus Medical Imaging, Inc.) and Medi-Physics Inc., doing business as Amersham Health (incorporated by reference to Exhibit 10.16 to Lantheus Medical Imaging, Inc.'s Registration Statement on Form S-4 filed with the Commission on December 29, 2010 (file number 333-169785)).
10.26†	First Amendment to Distribution Agreement, dated as of January 1, 2005, by and between Bristol-Myers Squibb Medical Imaging, Inc. (formerly known as Bristol-Myers Squibb Pharma Company and now known as Lantheus Medical Imaging, Inc.) and Medi-Physics Inc., doing business as G.E. Healthcare (incorporated by reference to Exhibit 10.17 to Lantheus Medical Imaging, Inc.'s Registration Statement on Form S-4 filed with the Commission on December 1, 2010 (file number 333-169785)).
10.27†	Manufacturing and Supply Agreement, dated as of April 6, 2009, by and between Lantheus Medical Imaging, Inc., and Mallinckrodt Inc. (a subsidiary of Covidien PLC) (incorporated by reference to Exhibit 10.27 to Lantheus Medical Imaging, Inc.'s Registration Statement on Form S-4 filed with the Commission on December 23, 2010 (file number 333-169785)).
10.28†	Amendment No. 1 to the Manufacturing and Supply Agreement, dated as of August 2, 2010, by and between Lantheus Medical Imaging, Inc. and Mallinckrodt Inc. (a subsidiary of Covidien PLC) (incorporated by reference to Exhibit 10.28 to Lantheus Medical Imaging, Inc.'s Registration Statement on Form S-4 filed with the Commission on December 1, 2010 (file number 333-169785)).
10.29†	Amendment No. 2 to the Manufacturing and Supply Agreement, dated as of August 2, 2010, by and between Lantheus Medical Imaging, Inc. and Mallinckrodt Inc. (a subsidiary of Covidien PLC) (incorporated by reference to Exhibit 10.1 to Lantheus Medical Imaging, Inc.'s Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2011 (file number 333-169785)).
10.30	Lantheus MI Holdings, Inc. 2008 Equity Incentive Plan (incorporated by reference to Exhibit 10.18 to Lantheus Medical Imaging, Inc.'s Registration Statement on Form S-4 filed with the Commission on October 6, 2010 (file number 333-169785)).
10.31	Amendment No. 1 to Lantheus MI Holdings, Inc. 2008 Equity Incentive Plan (incorporated by reference to Exhibit 10.19 to Lantheus Medical Imaging, Inc.'s Registration Statement on Form S-4 filed with the Commission on October 6, 2010 (file number 333-169785)).
10.32	Amendment No. 2 to Lantheus MI Holdings, Inc. 2008 Equity Incentive Plan (incorporated by reference to Exhibit 10.20 to Lantheus Medical Imaging, Inc.'s Registration Statement on Form S-4 filed with the Commission on October 6, 2010 (file number 333-169785)).
10.33	Form of Option Grant Award Agreement (incorporated by reference to Exhibit 10.21 to Lantheus Medical Imaging, Inc.'s Registration Statement on Form S-4 filed with the Commission on October 6, 2010 (file number 333-169785)).

Exhibit	Description
10.34	Lantheus Medical Imaging, Inc. Employee Bonus Plan—2009 (incorporated by reference to Exhibit 10.22 to Lantheus Medical Imaging, Inc.'s Registration Statement on Form S-4 filed with the Commission on October 6, 2010 (file number 333-169785)).
10.35	Lantheus Medical Imaging, Inc. 2010 Executive Leadership Team Incentive Bonus Plan (incorporated by reference to Exhibit 10.31 to Lantheus Medical Imaging, Inc.'s Annual Report on Form 10-K for the fiscal year ended December 31, 2010 (file number 333-169785)).
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10.43†	Amendment No. 1, effective as of February 9, 2012, to the Amended and Restated Cardiolite License and Supply Agreement by and between Lantheus Medical Imaging, Inc. and Cardinal Health 414, LLC entered into as of January 1, 2009 and effective as of January 1, 2004 (incorporated by reference to Exhibit 10.3 to Lantheus Medical Imaging, Inc.'s Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2012(file number 333-169785)).

Exhibit	Description
10.44†	Settlement and Mutual Release Agreement, effective as of March 20, 2012, by and between Ben Venue Laboratories, Inc. and Lantheus Medical Imaging, Inc. (incorporated by reference to Exhibit 10.4 to Lantheus Medical Imaging, Inc.'s Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2012 (file number 333-169785)).
10.45†	Transition Services Agreement, effective as of March 20, 2012, by and between Ben Venue Laboratories, Inc. and Lantheus Medical Imaging, Inc. (incorporated by reference to Exhibit 10.5 to Lantheus Medical Imaging, Inc.'s Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2012 (file number 333-169785)).
10.46†	Manufacturing and Service Contract for Commercial Products, entered into as of March 20, 2012, by and between Ben Venue Laboratories, Inc. and Lantheus Medical Imaging, Inc. (incorporated by reference to Exhibit 10.6 to Lantheus Medical Imaging, Inc.'s Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2012 (file number 333-169785)).
10.47†	First Amendment to Manufacturing and Supply Agreement, dated as of May 3, 2012, for the manufacture of DEFINITY® by and between Lantheus Medical Imaging, Inc. and Jubilant HollisterStier LLC (incorporated by reference to Exhibit 10.1 to Lantheus Medical Imaging, Inc.'s Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2012 (file number 333-169785)).
10.48†	Manufacturing and Supply Agreement, dated as of May 3, 2012, for the manufacture of Cardiolite® by and between Lantheus Medical Imaging, Inc. and Jubilant HollisterStier LLC (incorporated by reference to Exhibit 10.2 to Lantheus Medical Imaging, Inc.'s Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2012 (file number 333-169785)).
10.49†	Manufacturing and Supply Agreement, dated as of May 3, 2012, for the manufacture of Neurolite® by and between Lantheus Medical Imaging, Inc. and Jubilant HollisterStier LLC (incorporated by reference to Exhibit 10.3 to Lantheus Medical Imaging, Inc.'s Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2012 (file number 333-169785)).
10.50†	Amendment No. 6 to the Agreement Concerning Cardiolite® and TechneLite® Generator Supply, Pricing and Rebates, effective as of April 1, 2012, by and between Lantheus Medical Imaging, Inc. and United Pharmacy Partners, Inc. (incorporated by reference to Exhibit 10.4 to Lantheus Medical Imaging, Inc.'s Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2012 (file number 333-169785)).
10.51	Amendment No. 3 to Credit Agreement, dated as of October 11, 2012, among Lantheus Medical Imaging, Inc., as borrower, Lantheus MI Intermediate, Inc. and Lantheus MI Real Estate, LLC, as guarantors, Bank of Montreal, as administrative agent, Harris N.A., as collateral agent and the other lenders party thereto (incorporated by reference to Exhibit 10.1 to Lantheus Medical Imaging, Inc.'s Current Report on Form 8-K filed with the Commission on October 16, 2012 (file number 333-169785)).
10.52* †	Amendment No. 2, dated as of October 15, 2012, to the Purchase and Supply Agreement between Lantheus Medical Imaging, Inc. and Nordion (Canada) Inc.
10.53* †	Amendment No. 3, effective as of October 1, 2012, to Sales Agreement between Lantheus Medical Imaging, Inc. and NTP Radioisotopes (Pty) Ltd.
10.54* †	Amendment No. 2, effective as of December 27, 2012, to the Amended and Restated Supply Agreement (Thallium and Generators) between Lantheus Medical Imaging, Inc. and Cardinal Health 414, LLC.
10.55* †	Amendment No. 2, effective as of December 27, 2012, to the Amended and Restated Cardiolite® License and Supply Agreement by and between Lantheus Medical Imaging, Inc. and Cardinal Health 414, LLC.

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Exhibit	Description
10.56* †	License and Distribution Agreement, effective as of January 1, 2013, by and between Lantheus Medical Imaging, Inc. and FUJIFILM RI Pharma Co., Ltd.
10.57*	Separation Agreement, dated February 19, 2013, by and between Lantheus Medical Imaging, Inc. and Don Kiepert.
10.58*	Amendment No. 5 to Credit Agreement, dated as of March 25, 2013, among Lantheus Medical Imaging, Inc., as borrower, Lantheus MI Intermediate, Inc. and Lantheus MI Real Estate, LLC, as guarantors, Bank of Montreal, as administrative agent, Harris N.A., as collateral agent and the other lenders party thereto.
12.1*	Statements re: Computation of Ratio of Earnings to Fixed Charges.
14.1	Lantheus Medical Imaging, Inc. Company Code of Conduct and Ethics (incorporated by reference to Exhibit 14.1 to Lantheus Medical Imaging, Inc.'s Annual Report on Form 10-K for the year ended December 31, 2010 (file number 333-169785)).
14.2	Lantheus Medical Imaging, Inc. Compliance Code. (incorporated by reference to Exhibit 14.2 to Lantheus Medical Imaging, Inc.'s Annual Report on Form 10-K for the year ended December 31, 2010 (file number 333-169785)).
21.1	Subsidiaries of Lantheus MI Intermediate, Inc. and Lantheus Medical Imaging, Inc. (incorporated by reference to Exhibit 21.1 to Lantheus Medical Imaging, Inc.'s Annual Report on Form 10-K for the year ended December 31, 2010 (file number 333-169785)).
24.1*	Power of Attorney (included as part of the signature page hereto).
31.1*	Certification of Chief Executive Officer pursuant to Rule 13a-14 Securities Exchange Act Rules 13a-14(a) and 15d-14(a), pursuant to section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of Chief Financial Officer pursuant to Rule 13a-14 Securities Exchange Act Rules 13a-14(a) and 15d-14(a), pursuant to section 302 of the Sarbanes-Oxley Act of 2002.
32.1**	Certification of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted by Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS*	XBRL Instance
101.SCH*	XBRL Taxonomy Extension Schema
101.CAL*	XBRL Taxonomy Extension Calculation
101.DEF*	XBRL Taxonomy Extension Definition
101.LAB*	XBRL Taxonomy Extension Labels
101.PRE*	XBRL Taxonomy Extension Presentation

* Filed herewith.

** Furnished herewith.

† Confidential treatment requested as to certain portions, which portions have been filed separately with the Securities and Exchange Commission.

Exhibit 10.52

CONFIDENTIAL TREATMENT REQUESTED

INFORMATION FOR WHICH CONFIDENTIAL TREATMENT HAS BEEN REQUESTED IS OMITTED AND NOTED WITH "***". AN UNREDACTED VERSION OF THIS DOCUMENT HAS ALSO BEEN PROVIDED TO THE SECURITIES AND EXCHANGE COMMISSION.**

331 Treble Cove Road
North Billerica, MA 01862

800.362.2668
www.lantheus.com

October 15, 2012

Nordion
447 March Road
P.O. Box 13500
Ottawa, Ontario, K2K 1X8
Attention: Vice President, Global Sales

Re: Amendment No. 2 to Molybdenum-99 Purchase & Supply Agreement

Ladies and Gentlemen:

Reference is made to a Molybdenum-99 Purchase & Supply Agreement dated as of April 1, 2010 (as amended by Amendment No. 1, effective as of December 1, 2010, collectively, the "Agreement") between Lantheus Medical Imaging, Inc. and Nordion (Canada) Inc. (formerly MDS (Canada) Inc.). Terms defined in the Agreement and not otherwise defined herein are used herein with the meanings so defined.

IN CONSIDERATION of the mutual promises and covenants hereinafter set forth, and for other good and valuable consideration, the sufficiency of which is hereby acknowledged, the parties hereby agree to enter into this Amendment No. 2 to the Agreement (the "Amendment") as of October 15, 2012 (the "Amendment Effective Date") as follows:

1. Amendments.

1.1. Section 1.1.6 of the Agreement is hereby amended effective as of the Amendment Effective Date by deleting in its entirety said Section 1.1.6 and replacing therewith the following:

"1.1.6 "**Contract Term**" means the term of this Agreement, which shall commence as of the Effective Date and terminate as of December 31, 2015 unless otherwise extended or terminated pursuant to this Agreement."

1.2. Section 3.4 of the Agreement is hereby amended effective as of the Amendment Effective Date by deleting in its entirety said Section 3.4 and replacing therewith the following:

"3.4 Purchase Volumes. The purchase volume obligations set forth in this Section 3.4 are subject to the terms of this Agreement, including, but not limited to, Sections 4.4, 4.7 and 6.2, and subject to Nordion's ability to supply Product to LMI meeting the requirements of this Agreement and acceptance by Nordion of LMI's Firm Orders sufficient to meet LMI's purchase volume commitments in this Section 3.4.

3.4.1. During the portion of the Contract Term from and after **** until ****, LMI hereby commits to purchase from Nordion an average Calendar Week volume of **** Ci of Product (such determination shall be based on the calibration as set forth in Schedule C) as averaged over each separate but successive period of **** Calendar Weeks (each a "****-Week Period") (with a pro-rata adjustment as applicable for any portion of a ****-Week Period occurring as at ****). Compliance with LMI's average purchase volume commitments will be calculated by the parties as of the end of each aforementioned successive ****-Week Period. Nordion shall invoice LMI for any necessary true-up payments within **** (****) days of the end of each successive ****-Week Period.

3.4.2. In addition, commencing as of **** and continuing through ****, LMI shall place additional Product orders with Nordion corresponding to at least **** of LMI's "incremental volume" requirements of Molybdenum-99 in each successive ****-Week Period (with a pro-rata adjustment as applicable for any portion of a ****Week Period occurring as at ****), and Nordion shall fill such incremental volume orders, provided that such purchase obligation shall only apply in those Calendar Weeks to the extent to which Nordion is able to satisfy such additional LMI purchase volume obligations. For purposes of clarity, "incremental volume" shall mean any and all of LMI's Calendar Week requirements for Molybdenum-99 in excess of the sum of (i) LMI's minimum purchase volume commitment of **** Ci per Calendar Week of Product from Nordion (such determination shall be based on the calibration as set forth in Schedule C) plus (ii) LMI's Calendar Week purchase volume contractual commitments in writing for Molybdenum-99 from its other suppliers which existed on **** (such determination shall be based on the calibration as set forth in Schedule C). Such purchase volume contractual commitments shall remain fixed for purposes of calculating LMI's allocation of "incremental volume" from and after ****.

3.4.3. (i) Commencing as of **** and continuing through ****, LMI shall place Product orders with Nordion corresponding to at least **** percent (****%) of LMI's total requirements for Product (such determination shall be based on the calibration as set forth in Schedule C) in such period, and Nordion shall fill such orders, provided that such purchase obligation shall only apply in those Calendar Weeks in which Nordion is able to satisfy such LMI purchase volume obligations.

(ii) Commencing as of **** and continuing through ****, LMI shall place Product orders with Nordion in accordance with the minimum percentage of LMI's total requirements during each respective time period, as set out in the chart below, in each separate but successive calendar quarter (and for the purposes of smooth order management and supply during periods of normal supply, LMI will make a good faith effort to place routine weekly orders, for the quantity of Product set forth in each Forecast), and Nordion shall fill such orders, provided that such LMI purchase volume obligation shall only apply to the extent to which Nordion is able to satisfy such LMI purchase volume obligations.

Time Period	Minimum percentage of LMI's total requirements for Molybdenum-99 in each ****
**** __ ****	**** *percent (****%)*
**** __ ****	**** *percent (****%)*

Such purchase amount shall be calculated based on the Product calibration as set forth in Schedule C. To the extent that Nordion is unable to supply the quantities of Product described herein, the parties acknowledge and agree that LMI shall have the right to purchase Product from any third party supplier of Product during the period of such Nordion inability to supply (which, for purposes of a planned outage, shall be a period not less than the period reasonably forecasted by Nordion for such outage prior to the shutdown), and to such extent and for the duration of such third party purchases, LMI shall not be in violation of the purchase volume obligations set forth herein and shall to such extent be correspondingly relieved of such purchase volume obligation.

3.4.4. At any time reasonably requested by Nordion (but no more frequently than **** per calendar year) during the Contract Term, LMI will furnish to Nordion, within ten (10) days after the date on which it receives a written request to do so, a certificate, executed by the chief executive officer of LMI, certifying that such officer has reviewed LMI's records with respect to LMI's orders for LMI's "incremental volume" of Product from **** through ****, if any, or LMI's orders for Molybdenum-99 from **** through ****, as applicable, during the preceding **** (****) month period (or such shorter time as may have elapsed since the date of the last certificate), and that LMI has complied or failed to comply with its obligations set forth in Sections 3.4.2 or 3.4.3, as applicable. If LMI has failed to comply with its obligations set forth in Sections 3.4.2 or 3.4.3, as applicable, then LMI shall have the right to elect a Cure Election under Section 3.4.5.

3.4.5. In the event that LMI's certification indicates that LMI has failed to comply with the applicable purchase commitments under Section 3.4.2 or 3.4.3, LMI shall elect, such election to be exercised by LMI by notice in writing received by Nordion within ten (10) days after the date on which LMI would otherwise have been required to deliver such officer certification, to either

(i) In addition to meeting its ongoing purchase commitments, purchase from Nordion within and, from time to time, during the period of **** (****) days following receipt by Nordion of LMI's notice of election, such quantities of Product as should have otherwise been purchased from

Nordion had LMI satisfied its applicable purchase volume obligations under Sections 3.4.2 or 3.4.3, as applicable, to Nordion, or

(ii) In addition to meeting its ongoing purchase commitments, pay to Nordion within **** days following receipt by Nordion of LMI's notice of election, the balance of the amount corresponding to the purchase volume obligations that would have otherwise been due and payable had LMI satisfied its applicable purchase volume obligations under Sections 3.4.2 or 3.4.3, as applicable (the action elected under clause (i) or (ii) of this Section 3.4.5, a "Cure Election").

In the event that LMI fails to elect and/or notify Nordion of a Cure Election within the specified time period or, if it makes a Cure Election but does not comply with and satisfy its obligations under a Cure Election, then, in addition to and notwithstanding any other remedies set forth in this Agreement or available to Nordion in law or equity, Nordion may upon written notice to LMI immediately suspend further supply of any Product to LMI until such obligations are satisfied in full. For the sake of clarity, the parties acknowledge and agree that, to the extent Nordion exercises its right to suspend further supply of Product to LMI pursuant to this Agreement, LMI shall have no obligation to purchase the aforementioned purchase volume commitments during the period of suspended supply of Product or make any payments with respect thereto. In addition, if LMI elects the Cure Election in Section 3.4.5(i) and Nordion fails to supply Product under such election or fully perform thereunder, then LMI's underlying obligation and commitments in connection with such portion of that Cure Election shall be subject to a corresponding reduction in the quantity of Product LMI is otherwise obligated to purchase from Nordion under Section 3.4.5(i). If there is less than **** (****) days left in the Contract Term at the time of a Cure Election, then LMI's election shall be limited to the Cure Election under Section 3.4.5(ii). Notwithstanding the foregoing, LMI shall have the right to provide Nordion with one or more officer certifications under Section 3.4.4 during the last **** (****) months of the Contract Term. Such self-certifications shall limit the available period of time covered by any officer certification subsequently requested by Nordion under Section 3.4.4."

1.3 Section 5.1 of the Agreement is hereby amended effective as of the Amendment Effective Date by adding the following at the end of Section 5.1.

"Except as follows, the Product Fee for orders of Product described in Section 3.4 shall be in accordance with the provisions of this Section 5.1. If at any time during the Contract Term after **** (such period referred to herein as the "Fee Change Period") there is or will be in effect a sustained increase to Nordion's cost of Molybdenum-99 supplied by the NRU Reactor for use in the production of Product that exceeds **** percent (****%) of the cost charged to Nordion for Molybdenum-99 as determined using Nordion's cost calculation in effect as at the Amendment Effective Date ("Cost Threshold"), Nordion, at its option may either:

(i) upon at least **** (****) days prior written notice to LMI at any time increase the Product Fee to LMI applicable in the Fee Change Period in an

amount corresponding to **** (****) of the increase in cost incurred by Nordion in effect on the effective date of such notice for the purchase of Molybdenum-99 supplied by the NRU reactor in excess of the Cost Threshold as calculated on a per curie basis for such purchases (provided that for greater certainty, such increase in the Product Fees shall only apply to Molybdenum-99 supplied from the NRU Reactor), or

(ii) terminate this Agreement in accordance with Section 6.4.

Nordion shall include with any notice to LMI with respect to section 5.1 subparagraph (i) above, a certificate issued by its Chief Financial Officer certifying that the increase in the cost to Nordion in the cost of Molybdenum-99 exceeds the Cost Threshold and that any Product Fee increase has been determined in accordance with Section 5.1 subparagraph (i)."

The following example shall serve for illustrative purposes only:

Example:

If the Product Fee to LMI is $****/curie and the cost of Molybdenum-99 supplied by the NRU reactor was $****/curie (as at the Amendment Effective Date) and Nordion is subject to a cost increase of $****/curie the Product Fee to LMI with respect to Molybdenum-99 supplied by the NRU Reactor will be determined as follows:

Price increase: ****% x ($**** — (****% x $****)) = $****/curie

New Product Fee: $****/curie plus $****/curie = $****/curie"

1.4 Section 6 of the Agreement is hereby amended effective as of the Amendment Effective Date by adding the following Sections 6.4 and 6.5.

"6.4 Nordion Right of Termination. Nordion shall be entitled to terminate this Agreement in the circumstances set out in Section 5.1 sub paragraph (ii). In such event, Nordion shall provide at least **** (****) days prior written notice of termination to LMI, provided that any such termination shall not in any event be effective earlier than October 1, 2014. In such event, Nordion shall include with any written termination notice a certificate issued by Nordion's Chief Financial Officer certifying that the increase in the cost to Nordion in the cost of Molybdenum-99 exceeds the Cost Threshold."

"6.5 LMI Right of Termination. In the event that that the Product Fee increase by Nordion during the Fee Change Period pursuant to Section 5.1(i) exceeds **** percent (****%) of the applicable Product Fee charged by Nordion to LMI during the Fee Change Period as set out in Schedule D, LMI shall be entitled to terminate this Agreement by providing to Nordion at least **** (****) days prior written notice of termination."

1.5 Schedule C is hereby amended effective as of the Amendment Effective Date by deleting the illustrations entitled "Incremental Volume Illustration" and "Requirements Illustration" in their entirety.

1.6 Section 16.5 of the Agreement is hereby amended by adding the following language after the first sentence:

> "Nordion shall be required to provide LMI at least **** (****) days prior written notice of any transaction or series of related transactions, which, after giving effect to such transaction or transactions, would result in the sale, lease, transfer or other disposition by Nordion of all or any substantial part of the assets or business of Nordion to which this Agreement relates. In the event of such transaction Nordion will be responsible for the fulfillment of its obligations to supply Product under this Agreement, or in the event Nordion assigns this Agreement, Nordion shall ensure that as a condition of such transaction or transactions, such acquirer, successor or transferee, as the case may be, agrees to be bound by all of the obligations of Nordion (or the applicable portion thereof) arising from and after the date of such assignment under this Agreement and LMI shall correspondingly be bound to such assignee for its obligations for such period. LMI and Nordion otherwise shall remain responsible to each other hereunder for their respective obligations prior to such period."

1.7 Schedule D is hereby amended effective as of the Amendment Effective Date by deleting it in its entirety and replacing therewith the following:

"Product Fee for Product ordered for delivery during ** through **** (the "**** Period"):**

Curies of Product (**-day precal) ordered for delivery by LMI per successive ****-Week Period**	**Product Fee Product ordered for delivery by LMI from **** until **** **
Up to **** Ci/****-Wk	US$****/Ci
Each Ci > **** Ci/****-Wk	US$****/Ci

LMI shall pay all undisputed invoices for Product outstanding as of **** (including, pursuant to Section 3.4.1, any true-up payments due and payable for the portion of the 4-Week Period ending on ****) within **** (****) days of such date. In addition, to the extent that Nordion is unable to supply quantities of Product required to be purchased by LMI during the **** Period for any reason the Product Fee for LMI's orders in the first period following the **** Period during which Nordion is able to perform hereunder, will be **** to the applicable price set forth above for the **** Period for the volume of Product LMI is required to purchase for the then-current period until such time as the quantity of such purchases of Product for such period equal the quantity of Product that LMI would have otherwise been required to purchase during the **** Period if Nordion had been able to supply such quantities of Product hereunder.

Product Fee for Product ordered for delivery during ** through **** (the "**** Period"):**

US$****/Ci (****-day precal)

To the extent that Nordion is unable to supply quantities of Product required to be purchased by LMI during the **** Period for any reason, the Product Fee for LMI's orders in the first period following the **** Period during which Nordion is able to perform hereunder will be **** to US$****/Ci (i.e., corresponding to the price set forth above for the **** Period) for the volume of Product LMI is required to purchase for the then-current period until such time as the quantity of such purchases of Product for such period equal the quantity of Product that LMI would have otherwise been required to purchase during the **** Period if Nordion had been able to supply such quantities of Product hereunder.

Product Fee for Product ordered for delivery during ** through **** (the "****"):**

US$****/Ci (****-day precal) for Product ordered for delivery during the ****Period from **** — ****.

US$****/Ci (****-day precal) for Product ordered for delivery during the **** Period from **** — ****.

US$****/Ci (****-day precal) for Product ordered for delivery during the **** Period from **** — ****.

Notwithstanding the foregoing provisions, if at any point during the **** Period the total invoiced amount for Product exceeds **** (the "****__Threshold Amount__") for such period, then the Product Fee shall be automatically reduced to US$****/Ci (****-day precal) for any amounts above the **** Threshold Amount for such period.

Product Fee for Product ordered for delivery during ** through ****:**

Product Fee **Product ordered for delivery by LMI** **from **** **until ******	**Product Fee** **Product ordered for delivery by LMI** **from **** **until ******
US$****/Ci (****-day precal)	US$****/Ci (****-day precal) x CPI

On ****, the Product Fee shall be ****by an amount equal to the change in the ****, if any, for the ****. Such changes in the Product Fee shall be communicated in writing by Nordion to LMI no later than on or about **** (or so soon thereafter as the ****is published). For purposes of this Agreement, "****" means the ****, as published in the ****. In the event that publication of the **** is discontinued, the parties will agree on an appropriate substitute index that is substantially similar in substantive coverage.

In addition, beginning on ****, in the event there are any applicable government charges that specifically and expressly apply to the use of Molybdenum-99 derived from highly

enriched uranium (including tariffs, duties, excises, taxes, reimbursement penalties or other governmental charges) that negatively impact LMI, both parties agree to discuss and negotiate, in good faith, modifications to this Agreement to moderate and otherwise reduce such negative impact."

2. Effective Date. This Amendment shall be deemed to be effective as of the Amendment Effective Date.

3. General. Except as specifically amended hereby, the Agreement remains in full force and effect and otherwise unamended hereby, and any reference in the Amendment to "this Agreement", "the Agreement", "hereunder", "hereof", "herein" or words of like import shall mean and be a reference to the Agreement as amended by this Amendment. This Amendment constitutes a final written expression of the terms hereof and is a complete and exclusive statement of those terms. This Amendment may be executed in two or more counterparts, each of which, when executed, shall be deemed to be an original but all of which when taken together shall constitute one and the same agreement. Signatures hereto may be delivered by facsimile, by electronic mail (e.g., a "pdf" file) or by any other electronic means that is intended to preserve the original appearance of the document, and such delivery will have the same effect as the delivery of the paper document bearing the actual handwritten signatures.

If the foregoing is in accordance with your understanding of our agreement, please sign this Amendment in the place indicated below.

Thank you.

Sincerely,

LANTHEUS MEDICAL IMAGING, INC.

By: /s/ William C. Dawes, Jr.
Name and Title: VP, Manufacturing and Opearations
Date: 10-17-2012

Acknowledged and agreed:

Nordion (Canada) Inc.

By: /s/ Steve West
Name and Title: S.M. West, CEO
Date:10-19-2012

Copy: Nordion
447 March Road
P.O. Box 13500
Ottawa, Ontario K2K 1X8
Attn: Associate General Counsel

Exhibit 10.53

CONFIDENTIAL TREATMENT REQUESTED

INFORMATION FOR WHICH CONFIDENTIAL TREATMENT HAS BEEN REQUESTED IS OMITTED AND NOTED WITH "**". AN UNREDACTED VERSION OF THIS DOCUMENT HAS ALSO BEEN PROVIDED TO THE SECURITIES AND EXCHANGE COMMISSION.**

Execution Version
CONFIDENTIAL

Amendment No. 3 to Sales Agreement

THIS AMENDMENT NO. 3 TO SALES AGREEMENT (this "Amendment") is made effective as of October 1, 2012 by and between NTP Radioisotopes (Pty) Ltd., a commercial company registered and existing under the laws of the Republic of South Africa, having its registered office at Building 1700, Pelindaba, Church Street West Extension, Brits District, North West Province of South Africa ("NTP"), and Lantheus Medical Imaging, Inc., a corporation organized and existing under the laws of Delaware with a place of business at 331 Treble Cove Road, North Billerica, Massachusetts, United States of America 01862 ("Lantheus").

WHEREAS:

1. Lantheus and NTP, on behalf of itself and its Subcontractor, IRE, entered into a Sales Agreement effective as of April 1, 2009 (the "Sales Agreement");

2. Lantheus and NTP, on behalf of itself and its Subcontractor, IRE, entered into Amendment No. 1 to the Sales Agreement effective as of January 1, 2010 ("Amendment No.1");

3. Lantheus and NTP, on behalf of itself and its Subcontractors, IRE and ANSTO, entered into Amendment No. 2 to the Sales Agreement effective as of April 1, 2011 (together with the Sales Agreement and Amendment No. 1, collectively, the "Agreement");

4. In support of international objectives to eliminate the use of highly enriched uranium ("HEU") in civil nuclear applications, Lantheus, NTP and its Subcontractors have made a significant, diligent and cooperative effort to develop a more robust supply of Products for Lantheus derived from low enriched uranium ("LEU"), which resulted in Lantheus having the first Technetium-99m generators utilizing LEU-based Product qualified and approved by the United States Food and Drug Administration;

5. In connection with these efforts, NTP and its Subcontractors have agreed to increase their production of LEU-based Product made available to Lantheus; and

6. NTP, on behalf of itself and its Subcontractors, and Lantheus wish to further amend the Agreement to extend its term and specify pricing and volume levels for the supply of Product from October 1, 2012 through December 31, 2017 by restating certain existing provisions of the Agreement and further amending or

supplementing such provisions to give effect to such amendments effective as of the date hereof.

NOW, THEREFORE, in consideration of the mutual promises and covenants hereinafter set forth, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. Definitions. Terms defined in the Agreement and not otherwise defined herein are used herein with the meanings so defined.

2. Amendments.

2.1 Section 2.1 of the Agreement is hereby amended by deleting in its entirety said Section 2.1 and replacing therewith the following:

2.1 Subject to the terms of this Agreement, the parties hereby agree as follows:

(a) [Intentionally left blank.]

*(b) Commencing as of **** and continuing through ****, Lantheus shall commit to place minimum routine Product orders with NTP on a regular weekly basis as follows:*

Time Period	Percentage of Lantheus' total requirements of Product as measured on a trailing **** basis
**** __ ****	**** *percent (****%)*
**** __ ****	**** *percent (****%)*
**** __ ****	**** *percent (****%)*
**** __ ****	**** *percent (****%)*
**** __ ****	**** *percent (****%)*

*NTP shall supply such orders placed by Lantheus, provided that, as set forth in Section 2.1(c), such obligation shall only apply in those weeks in which NTP and its Subcontractors are able to satisfy, and NTP and its Subcontractors do satisfy, such obligations. In addition, to the extent that NTP is unable to supply the quantities of Product requested by Lantheus hereunder, the parties acknowledge and agree that Lantheus shall have the right to purchase Product from any third party supplier of Product during the period of such unavailability and for a reasonable period of time before or after such period, and to the extent and for the duration of such third party purchases Lantheus shall not be in violation of the purchase commitment set forth herein and shall be relieved of its purchase volume obligations for such period. Lantheus will continue to provide NTP with a good faith, non binding Forecast on the **** day of each ****. Lantheus will also continue*

*to provide NTP with firm orders for Product at least **** (****) days in advance of the required date of Product shipment. The Parties hereby agree to meet no later than **** to discuss in good faith the terms of a supply agreement beyond the term of this Agreement.*

*(c) Such Product shall be supplied and delivered to John F. Kennedy International Airport, Jamaica, New York ("JFK") or Logan International Airport, Boston, Massachusetts ("BOS") (or other mutually agreed upon delivery location) on a mutually agreed schedule with follow-on trucking delivery to the Lantheus facility in North Billerica, Massachusetts. Lantheus shall provide NTP with notice of its intention to change such location at least forty-five (45) days in advance of the required inception date of such changes. NTP shall be responsible to ensure that the full **** quota of Mo-99 is delivered to Lantheus other than during scheduled outages for routine maintenance and unscheduled outages or failures of the production lines of NTP and its Subcontractors (i.e., under conditions of normal operations prevailing at NTP and its Subcontractors' facilities). Subject to the terms set forth herein (including, but not limited to, the requirements relating to LEU-based Product set forth below), at the discretion of the Account Manager at NTP ("Account Manager"), such material shall be supplied by NTP or its Subcontractors. Lantheus shall be advised in a timely way of the manner in which supply obligations hereunder will be allocated among NTP and its Subcontractors. NTP will schedule deliveries to Lantheus so as to compensate for scheduled outages at either facility in such a way that the full amount of Product ordered by Lantheus (including, subject to the provisions of Section 2.1(d), any specific quantities of LEU-based Product) will be maintained under such circumstances.*

(d) For any supply of Product by NTP and its Subcontractors during the Term, NTP and its Subcontractors will increase production levels of LEU-based Product so as to make available to Lantheus LEU-based Product, unless otherwise directed by Lantheus, as follows:

Time Period	**Average curies per week of LEU-based Product, with a **** (****) day reference, as measured on a quarterly basis**
**** __ ****	*At least **** curies per ****
**** __ ****	*At least **** curies per ****
**** __ ****	*** percent (****%) of Lantheus' demand for Product*

*Lantheus will include the amount of HEU and LEU-based Product that it expects to order from NTP and its Subcontractors in each Forecast. In addition, notwithstanding the production levels set forth above (which shall not be construed as limits on Lantheus' orders for LEU- based Product), for each **** during the period from **** through ****, the average weekly*

*volume of LEU-based Product that Lantheus reasonably expects to order from NTP and its Subcontractors in such **** (as measured on a **** basis during such ****, the "LEU Demand") will be communicated by Lantheus to NTP no later than **** of the immediately preceding **** (e.g., the LEU Demand for each **** during the period from **** through **** will be communicated to NTP no later than ****). It is understood and agreed that the LEU Demand is only an estimate and not a binding forecast for any relevant period, provided, however, that both Parties acting in good faith will use commercially reasonable efforts to achieve the common goal described herein relating to the development of a more robust supply of LEU-based Product by NTP and its Subcontractors and an associated increase in demand from Lantheus. The accuracy of the LEU Demand for the then-current calendar quarter will be reviewed on a **** basis and where appropriate modified by Lantheus' Forecast and NTP's ability to supply. To the extent that the total volume of LEU-based Product available for sale by NTP and its Subcontractors is not sufficient to meet all customer orders for any reason, NTP and its Subcontractors shall supply Lantheus' orders **** (referred to herein as a "****") with LEU-based Product, provided that, during periods of normal supply from **** through ****, the amount of LEU-based Product available to Lantheus on a **** will be limited to the LEU Demand for such period (as modified by Lantheus' Forecasts). For purposes of clarity, the parties acknowledge and agree that, in the event of an outage or supply shortage affecting Lantheus' supply of Product, any amounts of Product ordered by Lantheus hereunder on a weekly basis (including any amounts of Product in excess of the purchase volume commitments set forth in Section 2.1(b) or the LEU Demand for such period) shall be filled by NTP and its Subcontractors with LEU-based Product on a ****. The parties further acknowledge and agree that NTP's and its Subcontractors' supply of LEU-based Product to Lantheus on a **** and the purchase volume commitments set forth in Section 2.1(b) are essential to the purpose of this Agreement (including, but not limited to, the extended term set forth herein). NTP and its Subcontractors shall use their best efforts to supply any amounts of LEU-based Product ordered by Lantheus, with the understanding that NTP's or its Subcontractors' ability to supply such LEU-based Product may be affected by their scheduled outages for routine maintenance or unscheduled outages or failures of production lines. The parties will work together in good faith to establish supply schedules for the production and supply of LEU-based Product from NTP and its Subcontractors based on the market demand for the manufacture and supply of Lantheus' Technetium-99m generators. NTP and its Subcontractors will also ensure the segregation of HEU and LEU-based Product when a mix of such Product is delivered to Lantheus in one aggregate shipment. The parties acknowledge and agree that the levels of LEU-based Product set forth in this Section 2.1(d) shall not be construed as a "take-or-pay" or minimum volume requirement that otherwise modifies Section 2.1(a) hereof.*

*(e) In the case of scheduled or unscheduled outages or production line failures for whatever reason (and for Events of Force Majeure (as hereinafter defined)) affecting NTP or its Subcontractors, Lantheus will receive, in addition to any available supply of LEU-based Product, a share of HEU-based Product available that is not **** than that which is **** its average share of the **** purchasing (averaged over the preceding ****) from NTP and its Subcontractors. NTP and its Subcontractors will also use their best efforts to make available any additional volumes of Product requested by Lantheus and, provided that Lantheus has satisfied its purchase volume commitments set forth in Section 2.1(b) for the immediately preceding **** period and Lantheus is **** during such period (as calculated consistent with calibrations as set out in Section 2.5), shall provide Lantheus with a right to purchase any Product available for sale by NTP or its Subcontractors on a ****.*

For clarity and as an example:

*If NTP or its Subcontractors experiences a production line failure affecting the supply of Product hereunder, and NTP and its Subcontractors sold an average **** volume of **** curies of Product, and Lantheus purchased from NTP an average ****volume of **** curies of Product, in the preceding **** (each as measured using the calibration as set forth in Section 2.5), then, in addition to any available supply of LEU-based Product, Lantheus would be entitled to receive at least **** percent (****%) of the volume of HEU-based Product available for sale by NTP and its Subcontractors.*

*(f) In situations where (i) a global supply shortage arises due to the planned or unplanned shutdown of a reactor or Mo-99 processing facility controlled by third party suppliers other than NTP or its Subcontractors or (ii) Lantheus' supply of Molybdenum-99 from third party suppliers other than NTP or its Subcontractors is adversely affected for whatever reason (including, but not limited to, scheduled or unscheduled reactor outages that result in shortages from such third party suppliers), NTP and its Subcontractors will supply routine orders for Product placed by Lantheus. NTP and its Subcontractors will also use their best efforts to make available any additional volumes of Product requested by Lantheus and, provided that, in each case, Lantheus has satisfied its purchase volume commitments set forth in Section 2.1(b) for the immediately preceding **** period, shall provide Lantheus with a **** any Product available for sale by NTP or its Subcontractors ****.*

(g) The NRU Reactor located in Chalk River, Ontario is required by the Canadian Nuclear Safety Commission within the terms of the operating license extension granted through October 31, 2016 to undergo extended

*shut-downs of at least one month in duration on an annual basis for inspection and maintenance. NTP and its Subcontractors share the objective of providing Lantheus with **** of Product during the NRU Reactor's currently scheduled shutdown period in 2013, provided that Lantheus has satisfied its purchase volume commitments for the immediately preceding **** period, and NTP and its Subcontractors will use their best efforts to provide Lantheus with **** of Product during any NRU Reactor's shutdown periods in each year thereafter, provided that, in each case, Lantheus has satisfied its purchase volume commitments set forth in Section 2.1(b) for the immediately preceding ****. In support of these efforts, the parties will work together in good faith to identify strategies to increase NTP's or its Subcontractors' available production capacity for Product ordered by Lantheus during the NRU Reactor's scheduled shutdown periods commencing in **** (or any similar outages or supply shortages), including, but not limited to, facility enhancements or improvements to be made by NTP or its Subcontractors, provided that, in each case, Lantheus has satisfied its purchase volume commitments set forth in Section 2.1(b) for the immediately preceding **** period.*

*(h) NTP and its Subcontractors will enter into a back-up supply agreement with IRE to support the obligations of NTP and its Subcontractors to Lantheus hereunder. Such agreement is expected to be in place by **** and in a form reasonably acceptable to Lantheus. In addition, NTP has established and shall maintain relationships with air carriers for the Lantheus route such that the probability of a Lantheus shipment being refused by the carrier shall be highly improbable. NTP shall liaise (via the Account Manager at NTP) with its Subcontractors, taking into account the reactor production and maintenance schedules of each facility, and supply Lantheus **** (****) days in advance of the first delivery of a month, the supply schedule for the following ****detailing clearly which supplier (NTP or a Subcontractor) will supply such delivery. For clarity and as an example, NTP will provide Lantheus the **** supply schedule on ****. This supply schedule will be binding on NTP and its Subcontractors and will be used by Lantheus to register each shipment with applicable U.S. governmental authorities as dictated by U.S. regulations. If the airport of delivery is JFK, then Product will be available for pick-up by Lantheus no later than ****. If the airport of delivery is BOS, then Product will be available for pick-up by Lantheus no later than ****. Pick-up time for any other delivery location will be mutually agreed upon.*

(i) Notwithstanding the foregoing, NTP and its Subcontractors hereby acknowledge and agree that the diversification of supply provided by NTP through its supply and back-up supply arrangements with its Subcontractors is essential to the purpose of this Agreement. NTP and its Subcontractors hereby agree to use their best efforts to avoid any supply disruptions through an increased cooperation with respect to planned inspection and

*maintenance activities or any other activities within the control of NTP or its Subcontractors that are reasonably likely to result in an outage or supply shortage for Lantheus (e.g., the planned shutdown of two reactors or processing facilities at any one time). In addition, NTP and its Subcontractors shall give Lantheus prompt notice of any impending or threatened events that could reasonably result in a supply shortage or failure and shall cooperate fully with Lantheus regarding any plans to avoid or mitigate any disruption in the supply of Product to Lantheus. Without limiting the rights of Lantheus elsewhere in this Agreement, if at any time during the term of this Agreement the consortium of supply partners changes or NTP or its Subcontractors does not or cannot deliver the quantities specified in this Section 2.1 on a **** basis in a reliable manner, the parties will make a good faith effort to renegotiate the terms of this Agreement. In the event the parties are unable to agree on modification of this Agreement within a reasonable period of time (not to exceed **** (****) days), in addition to any other remedies that it might have, Lantheus shall have the sole right, after giving NTP **** (****) days prior written notice, to terminate this Agreement.*

2.2 Section 5.1 of the Agreement is hereby amended by deleting in its entirety said Section 5.1 and replacing therewith the following:

5.1 The price payable by Lantheus for Product shall be as follows:

*(a) Commencing **** and continuing through ****, the unit price of Product shall be **** fixed US dollars (US$****) per Curie at calibrated date and time for the first **** (****) curies delivered per ****and **** fixed US dollars (US$****) per Curie at calibrated date and time for all curies in excess of the first **** (****) curies delivered per ****. The calibration date and time shall be in accordance with Section 2.5.*

*(b) Commencing **** and continuing through ****, the unit price of Product shall be as follows:*

*(i) The unit price of Product for the period from **** through **** shall be US$**** per Curie;*

*(ii) The unit price of Product for the period from **** through **** shall be US$**** per Curie;*

*(iii) The unit price of Product for the period from **** through **** shall be **** from the prior year's pricing by an amount equal to the lesser of (i) **** percent (****%) and (ii) **** of the annual percentage increase, if any, for the most recent twelve-month period for which figures are available in the **** published by*

***** or, if the same is no longer published, the successor index that is most similar thereto (the "PPI");*

*(iv) The unit price of Product for the period from **** through **** shall be **** from the prior year's pricing by an amount equal to the lesser of (i) **** percent (****%) and (ii) **** of the annual percentage increase, if any, for the most recent twelve-month period for which figures are available in the PPI; and*

*(v) The unit price of Product for the period from **** through **** shall be **** from the prior year's pricing by an amount equal to the lesser of (i) **** percent (****%) and (ii) **** of the annual percentage increase, if any, for the most recent twelve-month period for which figures are available in the PPI.*

*Pricing for the period from **** through **** and each year thereafter will be communicated to Lantheus by NTP no later than **** of the previous ****. The calibration date and time shall be in accordance with Section 2.5.*

*(c) The parties will negotiate in good faith a commercially reasonable adjustment to the then-current pricing in the event there are material, substantial and sustained changes to ****, in each case for a period of at least ****. In addition, in the event ****, then, subject to NTP and its Subcontractors providing the certifications and documentation for such Product required by the applicable laws and regulations, Lantheus and NTP will negotiate in good faith a commercially reasonable adjustment to the then-current pricing in light of such ****.*

*(d) For so long as Lantheus has satisfied its purchase volume commitments set forth in Section 2.1(b) as measured with reference to the average volume of curies purchased over the immediately preceding **** period and Lantheus is **** as measured during such period (as calculated consistent with calibrations as set out in Section 2.5), the prices payable by Lantheus for Product shall not be higher than the purchase price (as calculated consistent with calibration as set out in Section 2.5) paid by any other purchaser of Product from NTP or its Subcontractors for delivery into or use in ****, regardless of whether such delivery or use is direct or indirect. In addition, for so long as Lantheus purchases more than ****curies per ****, as measured with reference to the average volume of curies purchased in the immediately preceding **** period (as calculated consistent with calibration as set out in Section 2.5), the prices payable by Lantheus for Product shall not be higher than the purchase price (as calculated consistent with calibration as set out in Section 2.5) paid by any other*

*purchaser of Product from NTP or its Subcontractors for ****, as measured on a **** basis. For purposes of calculating the purchase price paid by other purchasers of Product in order to determine if any price adjustment shall be made hereunder, the parties agree that the purchase price paid by each purchaser will be calculated after giving effect to all rebates, discounts, and similar pricing concessions or incentives available to such purchasers (but excluding governmental purchases or purchases for other non-commercial purposes), and, if such purchase price is paid in a currency different from the United States dollar pursuant to a written contract or spot order, such purchase price shall be determined using the exchange rate of the United States dollar against such different currency applicable to such purchases as of ****. In addition, noncompliance with the foregoing provisions will result in a reduction to the price payable by Lantheus for Product hereunder only during the period in which the purchase price of product sold to other purchasers was lower than the then-current price set forth herein. Compliance with requirements of this Section 5.1(d) will be confirmed at the end of each calendar year, at which time NTP will furnish to Lantheus a certificate, executed by a duly authorized officer of NTP stating that such officer has reviewed the sales of such Product during such period and that NTP and its Subcontractors have complied with this Section 5.1(d). To the extent it is determined that NTP is not in compliance with this Section 5.1(d), NTP will adjust the pricing payable by Lantheus and credit Lantheus with the difference between the price paid by Lantheus and the amount otherwise contemplated by this Section 5.1(d).*

*(e) NTP shall invoice Lantheus at the end of each **** for all Product supplied by NTP or its Subcontractors in that ****. Invoicing shall be in respect of the price applicable to Product upon delivery of such conforming Product to Lantheus on an ****basis, and in respect of container charges as the same become payable under this Agreement. Lantheus shall pay all invoices for shipments of conforming Product in any given **** (as reduced by any outstanding credits for nonconforming Product) by the end of the following **** to NTP.*

2.3 Section 11.1 of the Agreement is hereby amended by deleting the reference to the "*31st day of December 2013*" and replacing it with the "*31st Day of December 2017*."

2.4 Exhibit B of the Agreement is hereby amended by removing "****" as of the effective date of this Amendment. For purposes of clarity, the parties acknowledge that all references to "its Subcontractor" or "its Subcontractors" in the Agreement immediately after the effective date of this Amendment shall mean ****.

3. Waiver. Each party hereby waives any non-compliance with the terms and provisions of the Agreement relating to the purchase volume requirements as in effect immediately prior to the amendment thereof by this Agreement.

4. General. Except as specifically amended hereby, the Agreement remains in full force and effect and otherwise unamended hereby. This Amendment constitutes a final written expression of the terms hereof and is a complete and exclusive statement of those terms. This Amendment shall be governed by and construed in accordance with the laws of England, without reference to the choice of laws rules of any jurisdiction.

IN WITNESS WHEREOF, the parties hereto have duly executed this Amendment as of the date first written above.

For and on behalf of NTP:

/s/ Don Robertson
Name and Title: Don Robertson, MD

For and on behalf of Lantheus:

/s/ Donald R. Kiepert
Name and Title: Don Kiepert, CEO

For and on behalf of ANSTO:

/s/ Doug Cubbin
Name and Title: Doug Cubbin, GM BD&C

Exhibit 10.54

CONFIDENTIAL TREATMENT REQUESTED

INFORMATION FOR WHICH CONFIDENTIAL TREATMENT HAS BEEN REQUESTED IS OMITTED AND NOTED WITH "**". AN UNREDACTED VERSION OF THIS DOCUMENT HAS ALSO BEEN PROVIDED TO THE SECURITIES AND EXCHANGE COMMISSION.**

AMENDMENT NO. 2 TO AMENDED AND RESTATED SUPPLY AGREEMENT
(Thallium and Generators)

This Amendment No. 2 to Amended and Restated Supply Agreement (Thallium and Generators) (this "Amendment") is made effective as of December 27, 2012 (the "Amendment Date") by and between Lantheus Medical Imaging, Inc. ("Supplier") and Cardinal Health 414, LLC ("Cardinal").

WHEREAS, Supplier and Cardinal entered into an Amended and Restated Supply Agreement (Thallium and Generators) as of January 1, 2009 and effective as of January 1, 2004 (the "Original Agreement");

WHEREAS, Supplier and Cardinal entered into an Amendment No. 1 to Amended and Restated Supply Agreement (Thallium and Generators) as of December 29, 2009 (together with the Original Agreement, collectively, the "Agreement"); and

WHEREAS, Supplier and Cardinal wish to further amend the Agreement to extend its term and specify pricing and volume requirements for the continued supply of Products as set forth in this Amendment.

NOW, THEREFORE, for good and valuable consideration, the sufficiency of which is hereby acknowledged, the Parties hereto hereby agree as follows:

1. Definitions. The definition of "*Products*" in Section 1.1 of the Agreement is hereby amended by replacing the reference to " *Thallium and Generators*" with "*gallium citrate (Ga 67) ("Gallium"), xenon (Xe-133) ("Xenon"), NEUROLITE® Kit for the Preparation of Technetium Tc99m Bicisate for Injection ("Neurolite"), Thallium and Generators* " as of the Amendment Date. All other terms defined in the Agreement and not otherwise defined or modified in this Amendment are used herein with the meanings ascribed to them in the Agreement, except that the defined term "Affiliate" has the meaning given to it in the Amended and Restated Cardiolite® License and Supply Agreement entered into by the Parties as of January 1, 2009 and effective as of January 1, 2004.

2. Purchase and Sale of Products. All of the references to "*Thallium*" in the Agreement (except for the definition of "Thallium") shall be amended to mean "*Gallium, Xenon, Neurolite and Thallium*" as of the Amendment Date. Except for sales to Cardinal's end-user customers, in no event shall Cardinal sell, loan, transfer, give or otherwise supply Products to any third party without Supplier's prior written approval. Cardinal shall be permitted to sell Products, on a drop ship basis through Supplier, to ****; provided that, Cardinal may supply Product to **** on a drop ship basis through Supplier upon ****.

3. LEU Generators. Section 3.1 of the Agreement is hereby amended by adding the following language after the last sentence as of the Amendment Date:

*"In addition, Cardinal shall be entitled to order up to a **** share of the LEU Generators made available for sale by Supplier, provided, however, that Cardinal shall be entitled to order up to ****curies of LEU Generators per week during periods of normal production and supply of LEU-based molybdenum-99 by all suppliers to Supplier if Cardinal has placed a firm order for such increased volumes of LEU Generators at least **** (****) days prior to the shipping date. For purposes of this Agreement, "LEU Generators" shall mean Generators containing molybdenum-99 sourced from at least ninety-five percent (95%) low enriched uranium targets ("LEU"). A "**** share" shall mean a share of Supplier's LEU Generators equal to **** percent (****%) of ****. Cardinal's orders for LEU Generators shall be subject to the terms for Generators set forth in this Agreement, including, but not limited to, Supplier's customary ordering requirements and lead times described in Article 4."*

4. Purchase Price. Section 3.2 of the Agreement is hereby amended by deleting the second sentence in its entirety and replacing it with the following as of the Amendment Date:

*"The pricing for Generators set forth in Exhibit B shall remain firm through ****. Calculations of applicable "Share" (as defined under Exhibit B) amounts for purposes of determining the pricing set forth in Exhibit B for each **** Period (as defined in Exhibit B) shall be based upon Cardinal's ****reports in the form set forth on Exhibit C ("****Report"). In the event of any discrepancy in Share amounts applied to invoices for any **** Period and the actual Share amount reflected in Cardinal's **** Report for such period, Supplier shall invoice Cardinal for any necessary true-up payments or credits to adjust for any overpayments or underpayments with respect to the pricing for Generator purchases made by Cardinal to Supplier as a result of such Share discrepancy".*

5. Minimum Purchase Obligation. Section 3.4 of the Agreement is hereby amended by deleting it in its entirety and replacing it with the following as of the Amendment Date:

"3.4 Minimum Purchase Obligation. Cardinal guarantees, subject to Supplier's ability to supply, a minimum purchase of Product as set forth in this Section 3.4.

*(a) Cardinal shall purchase from Supplier or its Affiliates on a regular **** basis reasonably **** (as reported under Section 5.3(b)) at least the Minimum Quantities (as hereinafter defined) of Product. Compliance with such Minimum Quantities will be determined as of **** and at the end of each **** thereafter. In any **** in which Cardinal does not purchase at least the applicable Minimum Quantities of Product from Supplier, Cardinal will promptly pay to Supplier the Minimum Payment (as hereinafter defined).*

*"Minimum Quantities" means the following minimum quantities of Product, on a **** basis, as purchased by Cardinal and its Affiliates from Supplier (as measured using calibration equivalent to the calibration set forth in Exhibits A and B):*

*(i) **** percent (****%) of all technetium Tc 99m generator curies purchased by Cardinal and its Affiliates in each **** during the period from **** through ****;*

*(ii) **** percent (****%) of all Gallium purchased by Cardinal and its Affiliates in each **** during the period from **** through ****;*

*(iii) **** percent (****%) of all Thallium curies purchased by Cardinal and its Affiliates in each **** during the period from **** through ****;*

*(iv) **** percent (****%) of all Xenon purchased by Cardinal and its Affiliates in each **** during the period from **** through ****; and*

*(v) **** percent (****%) of all Neurolite purchased by Cardinal and its Affiliates in each **** during the period from **** through ****.*

*For purposes of clarity, the Minimum Quantities shall include all of the Products (including ****) purchased by Cardinal and its Affiliates for ****; provided that LMI or, with respect to the supply of Products outside of the United States, its Affiliates shall supply Products to all radiopharmacy locations controlled by Cardinal or its Affiliates in such geographic territories. Neither Cardinal nor any of its Affiliates shall be restricted by Supplier from selling any Product ****, provided that the Product is approved and properly labeled for sale in such geographic territory under all applicable laws and regulations. In addition, if Cardinal or its Affiliates elect to purchase a Product in ****, Cardinal or its Affiliates, as applicable, shall use their best efforts to establish regular standing orders to purchase at least a reasonable portion of Product*

*requirements for applicable locations on a regular **** basis for the radiopharmacy locations controlled by Cardinal or its Affiliates in ****. For all such purchases in ****, Supplier's Affiliate will invoice such radiopharmacies in **** at the **** for the immediately preceding ****.*

*"Minimum Payments" means, as of an applicable date, the payment calculated on such date pursuant to the terms of this Agreement (and, in the case of Generators, based on the average ****price of such Generators purchased hereunder over the prior **** (****) **** period; provided, that for the **** in ****, such calculation shall be based on the average **** price of Generators purchased hereunder during ****) for any remaining portion of the applicable Minimum Quantities for which purchase orders were not received by Supplier prior to such date."*

6. Delays in Delivery. Section 4.2 of the Agreement is hereby amended by adding the following language after the last sentence:

"*In the event that delivery of a Generator is delayed more than **** (****) **** past the agreed upon local delivery time, Supplier will ****. The foregoing shall not apply to delays caused by events of Force Majeure, such as weather conditions effecting transportation of Generators, for which there will be no ****.*"

7. Initial Minimum Quantities. The definition of "*Initial Minimum Quantities*" in Section 4.1 of the Agreement is hereby amended by deleting it in its entirety and replacing it with the following as of the Amendment Date:

*"Initial Minimum Quantities" means **** (****) **** for each Product."*

8. Term. Section 5.1 of the Agreement is hereby amended such that the date " *December 31, 2012*" appearing in the first sentence thereof shall be deleted and replaced with "*December 31, 2014*" as of the Amendment Date.

9. Reporting. Section 5.3(b) of the Agreement is hereby amended by deleting it in its entirety and replacing it with the following as of the Amendment Date:

*"(b) Cardinal will provide Supplier reports, in substantially the form of Exhibit C, promptly at the end of each **** for Products other than Generators, and at the end of each **** for Generators. For Generators, reports shall list (i) Cardinal's total requirements for all technetium Tc 99m generators for the most recent ****Period(s) (as defined in Exhibit B) immediately preceding the applicable report and (ii) the portion of such technetium Tc 99m generator volumes purchased from Supplier during such ****Period(s). For all Products other than Generators, ****

*reports shall list (i) Cardinal's total **** requirements for each Product on a weekly basis and (ii) the portion of such Product volumes purchased from Supplier."*

10. Amendment to Exhibit A. Exhibit A of the Agreement is hereby amended by deleting it in its entirety and replacing it with Exhibit A attached hereto as of the Amendment Date.

11. Amendment to Exhibit B. Exhibit B of the Agreement is hereby amended by deleting it in its entirety and replacing it with Exhibit B attached hereto as of the Amendment Date.

12. Amendment to Exhibit C. Exhibit C of the Agreement is hereby amended by deleting it in its entirety and replacing it with Exhibit C attached hereto as of the Amendment Date.

13. **** Payment. In exchange for Supplier making commercially available to Cardinal **** hereunder and for providing assurances to Cardinal with respect to Supplier's ability to supply ****, Cardinal shall pay Supplier **** US dollars (US$****) in the following irrevocable and non-refundable amounts in accordance with the following schedule, subject to the conditions set forth below:

(a) $**** on or before ****; provided that Supplier provides written certification to Cardinal on or before **** that Supplier is ready and able starting in **** to supply Cardinal with **** in the amounts required hereunder.

(b) $**** on **** (the "**** Payment"); provided that (a) Supplier complies with its obligations to supply **** hereunder from **** to ****, and (b) as of ****, Supplier delivers to Cardinal a written certification that Supplier has complied with the applicable terms of the Agreement relating to the supply of **** and has no reasonable basis to believe that it cannot continue to comply with such obligations.

(c) $**** on **** (the "**** Payment"); provided that (a) Supplier complies with its obligations to supply **** hereunder from **** to ****, and (b) as of ****, Supplier delivers to Cardinal a written certification that Supplier has complied with the applicable terms of the Agreement relating to the supply of **** and has no reasonable basis to believe that it cannot continue to comply with such obligations.

In no event will Cardinal be obligated to make the **** Payment or the **** Payment under this Section 13, unless Supplier provides Cardinal with such written

certification on the applicable date that Supplier has complied with the applicable terms of the Agreement relating to the supply of ****, or if at the time such payment would otherwise be payable, Cardinal has a reasonable good faith belief, which can be reasonably substantiated with the appropriate written evidence that the conditions set forth for such payment in the proviso of paragraph (b) or (c) above, as applicable, have not been satisfied.

14. No Further Changes. Except as specifically amended hereby, the Agreement shall remain in full force and effect and otherwise unmodified. All amendments in Sections 1 through 13 of this Amendment shall be deemed made as of the Amendment Date, and the Agreement shall not be deemed to have been modified until the Amendment Date.

15. General. This Amendment may be executed in two or more counterparts, each of which when executed shall be deemed to be an original but all of which when taken together shall constitute one and the same agreement. Signatures hereto may be delivered by facsimile or a "pdf" file through electronic mail, and such delivery will have the same effect as the delivery of the paper document bearing the actual handwritten signatures. This Amendment shall be governed by and construed in accordance with the laws of the State of New York, without giving effect to the conflict of laws provisions thereof. Supplier and Cardinal understand and agree that each and every term and condition of this Amendment, have or has been mutually negotiated, prepared and drafted, and in connection with the interpretation or construction of such term or condition or this Amendment, no consideration will be given to the issue of which of Supplier or Cardinal prepared, drafted or requested any term or condition of this Amendment.

[Signature page follows.]

IN WITNESS WHEREOF, the Parties hereto have executed this Amendment as of the Amendment Date.

Signed for and on behalf of **Cardinal Health 414, LLC**

Signature: /s/ Thomas J. Rafferty

By: Thomas J. Rafferty

Title: Vice President, Sourcing

Signed for and on behalf of **Lantheus Medical Imaging, Inc.**

Signature: /s/ Michael P. Duffy

By: Michael P. Duffy

Title: Vice President and Secretary

EXHIBIT A

INITIAL PRODUCT PRICES; ADJUSTMENTS

GALLIUM

The unit prices for Gallium for the period from **** through **** shall be as follows:

SKU	Description	UOM	Price per Unit
****	****	Vial	$ ****
****	****	Vial	$ ****
****	****	Vial	$ ****
****	****	Vial	$ ****

The unit prices of Gallium for the period from **** through **** shall be increased from the prior ****'s pricing by an amount equal to the **** of (i) **** percent (****%) and (ii) the annual percentage increase, if any, for the most recent **** period for which figures are available in the **** (the "PPI") published by the U.S. Bureau of Labor Statistics (the "BLS") or, if the same is no longer published, the successor index published by the BLS that is most similar thereto. If the PPI is discontinued and not replaced with a corresponding or similar index, then the Parties shall, in good faith, agree upon a replacement PPI (item (ii) is hereinafter referred to as the "Annual PPI Increase").

XENON

The unit prices for Xenon for the period from **** through **** shall be as follows:

SKU	Description	UOM	Price per Unit
****	****	Kit	$ ****
****	****	Kit	$ ****
****	****	Kit	$ ****
****	****	Kit	$ ****

Supplier shall have the right to increase the unit prices of Xenon for the period from **** through **** by an amount not to exceed ****percent (****%) of the prior ****'s pricing.

THALLIUM

The unit price for Thallium for the period from **** through **** shall be $****. The unit price of such Product for the period from **** through **** shall be $****.

NEUROLITE

The unit price for Neurolite for the period from **** through **** shall be as follows:

SKU	Description	UOM	Price per Unit
****	****	Kit	$ ****

Supplier shall have the right to increase the unit price of Neurolite for the period from **** through **** by an amount not to exceed the Annual PPI Increase.

EXHIBIT B

GENERATOR PURCHASE PRICE; ADJUSTMENTS

2013 and 2014 Generator pricing

			Up to ****% Share		More than ****% Share	
Size	Description	UOM	Standard Generator Price per Unit	LEU Generator Price per Unit	Standard Generator Price per Unit	LEU Generator Price per Unit
****	TechneLite®	Unit	****	****	****	****
****	TechneLite®	Unit	****	****	****	****
****	TechneLite®	Unit	****	****	****	****
****	TechneLite®	Unit	****	****	****	****
****	TechneLite®	Unit	****	****	****	****
****	TechneLite®	Unit	****	****	****	****
****	TechneLite®	Unit	****	****	****	****
****	TechneLite®	Unit	****	****	****	****
****	TechneLite®	Unit	****	****	****	****
****	TechneLite®	Unit	****	****	****	****
****	TechneLite®	Unit	****	****	****	****
****	TechneLite®	Unit	****	****	****	****
****	TechneLite®	Unit	****	****	****	****

For purposes of this Exhibit, "Share" shall be calculated for each separate but consecutive **** (****) ****period from and after **** during the Term of the Agreement (each a "**** Period") (with a pro-rata adjustment as applicable for any portion of a **** Period occurring as of the expiration or termination of the Agreement) based on Supplier's share of **** for such **** Period. The pricing set forth in this Exhibit shall remain fixed for ****. Except for the price changes based upon changes in Share amounts as described in this Exhibit B, no surcharge or premiums shall apply to the Generators ordered by Cardinal in excess of the Minimum Quantities.

EXHIBIT C

SHARE CALCULATION REPORTS

Cardinal
Volume and Share Certification

For the **** Period(s)	Beginning (Sunday)		Through (Saturday)
	****	through	****
	*e.g. Sunday, ****		*e.g. Saturday, ****

	****				
	1	2	3	4	Total
Total Technetium Curies Purchased					0.00
Total Technetium Curies Purchased from Lantheus					0.00
Lantheus Share	0.00%	0.00%	0.00%	0.00%	0.00%

Cardinal hereby certifies that the information contained herein is true and complete.

Name: _____

Signature: _____

Date: _____

Cardinal
Volume and Share Certification

For the ** period**	**Beginning (Sunday)** **** *e.g. Sunday, ******	through	**Through (Saturday)** **** *e.g. Saturday, ******

****

	1	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**	**13**	**Total**
Total Gallium **** Purchased														0.00
Total Gallium **** Purchased from Lantheus														0.00
Lantheus Share	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total Xenon **** Purchased														0.00
Total Xenon **** Purchased from Lantheus														0.00
Lantheus Share	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total **** Curies Purchased														0.00
Total Thalllium **** Purchased from Lantheus														0.00
Lantheus Share	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Cardinal hereby certifies that the information contained herein is true and complete.

Name: _____

Signature: _____

Date: _____

Exhibit 10.55

CONFIDENTIAL TREATMENT REQUESTED

INFORMATION FOR WHICH CONFIDENTIAL TREATMENT HAS BEEN REQUESTED IS OMITTED AND NOTED WITH "**". AN UNREDACTED VERSION OF THIS DOCUMENT HAS ALSO BEEN PROVIDED TO THE SECURITIES AND EXCHANGE COMMISSION.**

AMENDMENT NO. 2 TO AMENDED AND RESTATED CARDIOLITE® LICENSE AND SUPPLY AGREEMENT

This Amendment No. 2 to Amended and Restated Cardiolite® License and Supply Agreement (this "Amendment") is made effective as of December 27, 2012 (the "Amendment Date") by and between Lantheus Medical Imaging, Inc. ("LMI") and Cardinal Health 414, LLC ("Licensee").

WHEREAS, LMI and Licensee entered into an Amended and Restated Cardiolite® License and Supply Agreement as of January 1, 2009 and effective as of January 1, 2004 (the "Original Agreement");

WHEREAS, LMI and Licensee entered into an Amendment No. 1 to Amended and Restated Cardiolite® License and Supply Agreement as of February 9, 2012 (referred to herein as "Amendment No. 1" and, together with the Original Agreement, collectively, the "Agreement"); and

WHEREAS, LMI and Licensee wish to further amend the Agreement to extend its term and specify pricing and volume requirements for the continued supply of Sestamibi Products as set forth in this Amendment.

NOW, THEREFORE, for good and valuable consideration, the sufficiency of which is hereby acknowledged, the Parties hereto hereby agree as follows:

1. Definitions. Terms defined in the Agreement and not otherwise defined or modified in this Amendment are used herein with the meanings ascribed to them in the Agreement.

2. Minimum Purchase Obligation. The Parties agree that, unless otherwise agreed to by the Parties in writing, Licensee shall purchase from LMI at least **** of Sestamibi Product in the **** of each **** and ****during the term of the Agreement (as amended hereby) (the "Minimum Quantity") at a price of $****, provided that, pursuant to the terms of the Agreement, Licensee or its Affiliates in **** shall be permitted to order reasonable quantities of Sestamibi Product from LMI's Affiliates in **** for the radiopharmacy locations controlled by Licensee or its Affiliates in **** on a **** basis and such quantities of Sestamibi Product will be included in the calculation of the Minimum Quantity for such ****. Licensee shall provide LMI with at least **** (****) days written notice prior to any change to such standing orders for Sestamibi Product placed by Licensee or its Affiliates for ****. Compliance with such Minimum Quantity will be determined as of **** and at the end of each **** thereafter (each a "Compliance Period"). In any Compliance Period in which Licensee does not purchase at least the applicable Minimum Quantity of Sestamibi Product from LMI, Licensee will

promptly pay to LMI any remaining portion of the applicable Minimum Quantity not invoiced prior to the end of such Compliance Period (each a "Shortfall Payment"). In addition, within **** (****) weeks prior to the end of any Compliance Period, Licensee shall (i) make a good faith estimate of additional amounts of Sestamibi Product necessary for Licensee to purchase to be in compliance with the Minimum Quantity for such Compliance Period, and (ii) use commercially reasonable efforts to place purchase orders for such additional amounts. For purposes of clarity, the Parties acknowledge and agree that Licensee's purchase obligations set forth in Amendment No. 1 (including, but not limited to, the purchase obligations under Section 2.3) shall remain in effect and unmodified by this Amendment, and any such purchases made by Licensee pursuant to Amendment No. 1 shall not count towards, and not be included in the calculation of, any Minimum Quantity hereunder. The Parties further acknowledge and agree that any Shortfall Payment made by Licensee pursuant to this Amendment shall not count towards, and not be included in the calculation of, any Minimum Quantity for the next succeeding Compliance Period hereunder, and the requirements set forth in Section 7 of Amendment No. 1 shall not apply to the purchase of Sestamibi Product pursuant to this Amendment. With the exception of Sestamibi Product purchased for **** (which shall not be subject to the Product Dating requirements set forth herein), without limitation to any other provision in the Agreement, LMI shall use commercially reasonable efforts to deliver Sestamibi Products to Licensee under this Amendment with useful life prior to product expiration ("Product Dating") of at least **** percent (****%) of the maximum Product Dating for such lots of Sestamibi Product based on the applicable regulatory approvals. In addition, with respect to the Minimum Quantity of Sestamibi Product purchased for ****, without limitation to any other rights or remedies available to Licensee in connection with the foregoing provision, Licensee may at its option reject any Sestamibi Product delivered to Licensee with less than the following amounts of Product Dating:

(i) **** (****) **** of Product Dating if such Sestamibi Product was produced by one of LMI's third party manufacturers of Sestamibi Product approved by the FDA to supply commercial quantities of Sestamibi Product to LMI as of the Amendment Date; and

(ii) **** (****) **** of Product Dating if such Sestamibi Product was produced by one of LMI's third party manufacturers of Sestamibi Product approved by the FDA to supply commercial quantities of Sestamibi Product to LMI after the Amendment Date.

Upon any such rejection, if LMI fails to replace such rejected Sestamibi Product within **** (****) days following the date of the rejection, such rejected Sestamibi Product shall be counted towards Licensee's satisfaction of the Minimum Quantity obligation hereunder.

3. No Restriction on Sales of Sestamibi Products. Section 2.27 of the Agreement is hereby amended by deleting it in its entirety as of the Amendment Date.

4. Canada and Puerto Rico. Notwithstanding anything in the Agreement to the contrary, LMI hereby agrees that all rights of Licensee to dispense and sell Sestamibi Products in the United States shall apply equally to Canada and Puerto Rico for any radiopharmacy locations controlled by Licensee or its Affiliates in such geographic locations, and LMI or, with respect to the supply of Sestamibi Product to Canada, its Affiliates shall supply Sestamibi Products to such Canada and Puerto Rico radiopharmacy locations pursuant to the terms and conditions of the Agreement, provided that the Sestamibi Product is approved and properly labeled for sale in such geographic territory under all applicable laws and regulations.

5. Term and Termination. Section 3.01 of the Agreement is hereby amended such that the date "*December 31, 2012*" appearing in the first sentence thereof shall be deleted and replaced with "*December 31, 2014*" as of the Amendment Date.

6. No Further Changes. Except as specifically amended hereby, the Agreement shall remain in full force and effect and otherwise unmodified. All amendments in Sections 2 and 3 of this Amendment shall be deemed made as of the Amendment Date, and the Agreement shall not be deemed to have been modified until the Amendment Date.

7. General. This Amendment may be executed in two or more counterparts, each of which when executed shall be deemed to be an original but all of which when taken together shall constitute one and the same agreement. Signatures hereto may be delivered by facsimile or a "pdf" file through electronic mail, and such delivery will have the same effect as the delivery of the paper document bearing the actual handwritten signatures. This Amendment shall be governed by and construed in accordance with the laws of the State of New York, without giving effect to the conflict of laws provisions thereof. LMI and Licensee understand and agree that each and every term and condition of this Amendment, have or has been mutually negotiated, prepared and drafted, and in connection with the interpretation or construction of such term or condition or this Amendment, no consideration will be given to the issue of which of LMI or Licensee prepared, drafted or requested any term or condition of this Amendment.

[Signature page follows.]

IN WITNESS WHEREOF, the Parties hereto have executed this Amendment as of the Amendment Date.

Signed for and on behalf of **Cardinal Health 414, LLC**

Signature: /s/ Thomas J. Rafferty

By: Thomas J. Rafferty

Title: Vice President, Sourcing

Signed for and on behalf of **Lantheus Medical Imaging, Inc.**

Signature: /s/ Michael P. Duffy

By: Michael P. Duffy

Title: Vice President and Secretary

Exhibit 10.56

CONFIDENTIAL TREATMENT REQUESTED

INFORMATION FOR WHICH CONFIDENTIAL TREATMENT HAS BEEN REQUESTED IS OMITTED AND NOTED WITH "**". AN UNREDACTED VERSION OF THIS DOCUMENT HAS ALSO BEEN PROVIDED TO THE SECURITIES AND EXCHANGE COMMISSION.**

Execution Version
CONFIDENTIAL

LICENSE AND DISTRIBUTION AGREEMENT

THIS AGREEMENT FOR LICENSE AND DISTRIBUTION OF CARDIOLITE AND NEUROLITE is effective as of the 1st day of January, 2013 by and between Lantheus Medical Imaging, Inc., a Delaware corporation, with its principal place of business at 331 Treble Cove Road, North Billerica, Massachusetts 01862, U.S.A. (formerly known as Bristol-Myers Squibb Medical Imaging, Inc., hereafter referred to as "LMI"), and FUJIFILM RI Pharma Co., Ltd., a corporation of Japan, with its principal place of business at 14-1, Kyobashi 2-chome, Chuo-ku, Tokyo 104-0031 Japan (formerly known as Daiichi Radioisotope Laboratories, Ltd., hereinafter referred to as "FRI").

WITNESSETH:

WHEREAS, the parties entered into a License and Distribution Agreement effective as of January 1, 2003 (as amended by the parties, hereinafter referred to as the "Prior Agreement"), which is scheduled to expire on December 31, 2012.

WHEREAS, the parties desire to continue the marketing and sale of Cardiolite® and Neurolite® products after the Prior Agreement has expired.

WHEREAS, as a result of mutual consultation, LMI and FRI have decided to conclude a new agreement under the terms and conditions set forth in this Agreement with regard to the products.

NOW, THEREFORE, the parties agree as follows:

Article 1. (Definitions)

As used in this Agreement:

1.1 "Adverse Experience" or "AE" shall have the meaning set forth in the Safety Data Exchange Agreement ("SDEA") attached hereto as Attachment 1.

1.2 "Affiliate" shall mean any person, firm or corporation which controls, is controlled by or is under common control with LMI or FRI as the case may be, with "control" to mean ownership, directly or indirectly of 50% or more of voting stock of the subject entity.

1.3 "Cold Kit Product" means a a pharmaceutical product for the Preparation of either technetium Tc-99m sestamibi for injection ("Cardiolite Kit") or technetium Tc-99m bicisate for injection ("Neurolite Kit") manufactured according to the marketing approval granted to FRI by the MHLW and the Quality Agreement for the Cardiolite Kit or Neurolite Kit, respectively.

1.4 "ECD Ligand" means ****, a raw material to manufacture "Neurolite PFS Injection" which FRI has obtained marketing approval by the MHLW.

1.5 "Defect" or "Defective" means Products that do not meet specifications for such Product, as stipulated on the Quality Agreement.

1.6 "Effective Date" means January 1, 2013.

1.7 "Know-How" means any and all **** information relating to the Products and PFS Products developed by LMI and delivered to FRI pursuant to the Prior Agreement between the same parties (and their predecessors), including such information relating to the **** of the Products and PFS Products, and further including but not limited to **** of the Products and PFS Products ****, and such other information as FRI determines is needed for FRI to succeed in the marketing, sale and distribution of the Finished Products. For the avoidance of doubt, the parties acknowledge and understand that FRI has developed certain **** information relating to the Products and PFS Products which is FRI's know how and confidential information and subject to the confidentiality provisions set forth in this Agreement. The parties further acknowledge and

understand that information available in the public domain is excluded from both Know-How and FRI's Confidential Information, as described in Section 13.1 of this Agreement.

1.8 "Ligand" means MIBI Ligand and ECD Ligand, collectively.

1.9 "MHLW" means the Ministry of Health Labor and Welfare.

1.10 "MIBI Ligand" means ****, a raw material to manufacture "Cardiolite PFS Injection" which FRI has obtained marketing approval by the MHLW.

1.11 "Net Sales" shall mean sales revenue of FRI for all PFS Products and/or all Cold Kit Products sold during the term of this Agreement in the Territory by FRI, less, where appropriate:

(i) discounts, rebates and/or credits ****; and

(ii) value-added taxes and other taxes of a similar nature that are included in the gross invoice price paid to FRI.

1.12 "PFS Products" means a sterile solution of MIBI Ligand or ECD Ligand complexed with technetium Tc-99m for sale in unit dose syringes, referred to herein as "Cardiolite PFS Injection" and "Neurolite PFS Injection" respectively.

1.13 "Product or Products" shall mean Cold Kit Product and Ligands, collectively.

1.14 "Product Registration or Product Registrations" means the import and marketing authorizations for Cold Kit Product, the import authorizations for Ligand, and the manufacturing and marketing authorizations for PFS Products, issued by the MHLW.

1.15 "Quality Agreement" means the separate written agreement between the parties regarding Good Manufacturing Control and Quality Control of the Products in accordance with the Good Quality Practice regulation of the Pharmaceutical Affairs Law in Japan defining the pharmaceutical and certain operational responsibilities of each party with respect to the quality and Manufacturing of the Products. In the event of any express conflict or inconsistency between this Agreement and the Quality Agreement regarding the relationship between the quality organizations of the parties, the terms of the Quality Agreement will control.

1.16 "Safety Data Exchange Agreement" or "SDEA" means the separate written agreement between the parties regarding the guidelines and procedures for the provision of medical information; the receipt, recordation, exchange, communication, and submission of safety information associated with the use of the Products; and the receipt, recordation, exchange, communication, investigation and submission of product quality complaints agreed separately between the parties. In the event of any express conflict or inconsistency between this Agreement and the SDEA regarding the guidelines and procedures for such safety data, the terms of the SDEA will control. The form of SDEA as of the Effective Date is provided hereunder in Attachment 1.

1.17 "Serious Adverse Experience" or "Serious AE" shall have the meaning set forth in the SDEA.

1.18 "Territory" means Japan.

1.19 "Trademarks" means the trademarks Cardiolite® and Neurolite® and their literal transliteration in the Japanese language, and the trademark applications and registrations thereof in Japan as listed in Schedule 1 attached hereto.

Article 2. (Grant of Distribution Right)

2.1 LMI hereby grants to FRI, an exclusive, non-transferable and royalty-bearing right to market, sell, and distribute the Cold Kit Products supplied by LMI and the PFS Products, which are manufactured by FRI from Ligand supplied by LMI (collectively referred to hereafter as the "Finished Products") in the Territory under the licenses set forth in Section 3.1 hereunder. FRI hereby accepts such grant and agrees to use commercially reasonable efforts to market, sell, and distribute the Finished Products in the Territory in a manner consistent with its efforts under the previous agreements between the parties and their predecessors (e.g., using generally the same commercial channels and methods and exercising the same degree of effort and diligence), reasonably taking into consideration any significant changes to the market conditions for the Finished Products in the Territory including, but not limited to, ****.

2.2 FRI shall purchase from LMI **** percent (****%) of FRI's requirements for the Products for sale in the Territory. LMI agrees to use commercially reasonable efforts to fill all orders received from FRI pursuant to this Agreement subject to its ability to obtain sufficient quantities of the Products as provided hereunder in Section 5.6.

2.3 Each Product supplied by LMI to FRI hereunder will meet the specifications set forth in the Quality Agreement. All Finished Products manufactured by FRI hereunder shall conform to the applicable product specifications set forth in the Quality Agreement.

Article 3. (Grant of Right to Use Know-How)

3.1 LMI hereby grants to FRI, ****, an exclusive, non-transferable, and royalty-bearing license to practice LMI Know-How in the Territory,

(i) to import and sell Cold Kit Product supplied by LMI,

(ii) to use Ligand supplied by LMI to make PFS Products, and

(iii) to make, use and sell Finished Products, including PFS Products which uses or otherwise incorporates the Know-How .

3.2 Nothing herein shall be construed to grant any right or license in the Know-How to FRI other than those rights specifically set forth herein. FRI understands that the rights granted herein in no way affect LMI's ownership of the Know-How and that upon termination of this Agreement, FRI's right to use the Know-How shall cease. FRI further acknowledges and agrees that the rights granted herein are valuable and that FRI shall not, ****, dispute or contest, directly or indirectly, LMI's right and title to such intellectual property or the validity thereof.

Article 4. (Grant of Right to Use Trademarks)

4.1 LMI hereby grants to FRI a non-transferable, exclusive and **** license in the Territory to use the Trademarks in connection with the sale of the Finished Products. LMI shall use commercially reasonable efforts to maintain the Trademarks in good standing. In the event that either party should become aware of any potential or alleged infringement or action for infringement, the party concerned shall notify the other party, and LMI shall decide and implement a strategy to protect the Trademarks, if necessary, at LMI's reasonable expense. Nothing herein shall authorize the use by FRI of the Trademarks in countries outside the Territory where the Trademarks have not been licensed to FRI.

4.2 FRI agrees that, subject to the terms of this Agreement, it shall use the Trademarks only upon and in connection with the sale of the Finished Products. FRI further agrees to keep effective control over such manufacturing procedure and the nature and quality of Finished Products covered by the Trademarks.

4.3 FRI will only market the Finished Products using the Trademarks during the term of the license granted hereunder. The license of the Trademarks granted hereunder shall terminate upon termination of this Agreement as set forth in Article 15 hereof or at such time as LMI discontinues the sale to FRI of any Products. Upon the termination of each such license, FRI will cease all use of the Trademarks.

4.4 FRI agrees that at all times the Trademarks shall be used in accordance with good trademark practice, consistent with the standards used under the Prior Agreement, including notation of the fact that the Trademarks are registered trademarks of LMI and use of the appropriate notice of registration, legend, or symbol wherever permitted or required by the applicable local law. The parties agree that LMI shall be able to monitor good trademark practices using its inspection rights under Article 10.

4.5 FRI shall not make any use or take any action with respect to the Trademarks to prejudice or infringe LMI's rights thereto and shall forthwith, upon objection by LMI, desist from any use thereof or action therewith which is in violation of this Agreement or which is to the detriment of the Trademarks.

4.6 In the event of any claim or litigation by a third party alleging that any Trademark imitates or infringes a trademark or trade name of such third party or is invalid, FRI shall promptly give notice of such claim or litigation to LMI which shall assume responsibility for any cost and control of the handling, defense or settlement thereof, and FRI shall assist in such handling and defense as requested by LMI.

4.7 All FRI advertising, sales promotion material, labeling, and container labels displaying the Trademarks shall display an appropriate legend clearly designating FRI as the manufacturer of PFS Products so advertised or sold. In addition, all such material, labeling and packaging for Finished Products shall include the LMI logo and "licensed by Lantheus Medical Imaging, Inc." in both Japanese and English, to the extent legally permissible and applicable.

4.8 Nothing herein shall be construed to grant any right or license to FRI to use any other LMI trademarks or trade names, other than the Trademarks.

4.9 The rights granted to FRI under this Agreement to use the Trademarks shall in no way affect LMI's ownership of such Trademarks. Upon termination of this Agreement, the right of FRI to use the Trademarks shall cease.

4.10 After the Effective Date of this Agreement, FRI will use the Trademarks in strict accordance with the instructions given by LMI, and shall refrain from making any changes in connection therewith without first obtaining LMI's written consent.

Article 5. (Selling Price and Supply of Products)

5.1 Subject to the terms and conditions of this Agreement, FRI shall purchase from LMI, and LMI shall sell to FRI, the Products, at the selling prices which are set forth in Schedule 2 attached hereto, provided that, in the event of any considerable change in ****, the parties will negotiate in good faith a change to the then-current selling prices, ****. For purposes of this Agreement, "considerable change" shall include any **** change(s) exceeding **** percent (****%).

5.2 LMI will use commercially reasonable efforts to supply FRI quantities of the Products as follows: FRI will provide LMI with an initial volume forecast setting forth FRI's anticipated quantity and delivery requirements for the forthcoming **** (****) **** on ****, and with updated volume forecasts on a **** basis thereafter. FRI will submit firm written purchase orders to LMI not less than **** (****) days in advance of the desired date of shipment; provided, however, that the quantities provided in any forecast by FRI within **** (****) days of delivery will be considered firm orders from FRI. No order shall be binding upon LMI unless such order is (i) consistent with the most recent forecast within **** (****) days of delivery and (ii) accepted in writing by LMI, with LMI's confirmation of the expected delivery dates. For the avoidance of doubt, LMI shall use commercially reasonable efforts to accept FRI's Firm Order with its full quantity if it is consistent with the forecast within **** (****) days of delivery. FRI can increase or decrease its firm order quantities only with LMI's prior agreement and LMI may adjust its shipping quantities with FRI's prior agreement. Both parties shall accommodate reasonable change requests from the other.

5.3 Products will be shipped **** (INCOTERMS 2010), with title passing to FRI at ****. FRI will import the Products and pay any ****. FRI will be responsible for all **** incurred after arrival of the Products at the ****.

5.4 Products sold and paid for under this Agreement shall not be returnable in any event, unless the Products have been found to be Defective.

5.5 LMI will use commercially reasonable efforts to supply FRI with the quantity of **** reasonably required by FRI **** for regulatory and compliance testing purposes, provided, however, the number of **** will be subject to renegotiation if there is a change in the applicable regulatory requirements. In addition, notwithstanding the foregoing, LMI shall supply FRI with **** reasonably required by FRI **** for the purpose of validation or verification of a new manufacturing site or a change of manufacturing procedure and/or test procedures, the cost of which shall otherwise be **** responsibility. For the purpose of this provision, the Products reasonably required by FRI for regulatory and compliance testing purposes means the Products that FRI is required by the applicable regulatory authorities in Japan and/or FRI voluntary plans

to test for quality and regulatory compliance purposes only. Such Product will not be used for commercial sales. FRI will make available the results of such testing to LMI promptly after completion, upon LMI's written request.

5.6 The parties acknowledge and agree that LMI's obligations under this Agreement to supply Product are conditioned on LMI's ability, using commercially reasonable efforts, to be supplied with Product and components thereof from third parties. If LMI fails to supply FRI with the Product set forth in a Firm Order for any reason, the parties shall discuss in good faith commercially reasonable options to resolve the supply failure and/or to minimize the impact of the supply failure****. FRI has a right to ****.

Article 6. (Payment for Products)

FRI shall pay LMI for Products by ****. All invoices and payments shall be in **** and all such payments shall be made by wire transfer in immediately available funds to an account designated by LMI.

Article 7. (Payment of Royalties for Grant of Licenses and Reports)

7.1 Subject to the exception under Section 7.4, commencing as of the Effective Date, FRI shall pay to LMI royalties on the Net Sales of the Finished Products in the Territory, at the royalty rates provided in Schedule 3.

7.2 For the purpose of calculating such royalty payments, FRI's Net Sales shall be cumulated for each **** period ended on ****, respectively (each **** referred to herein as a "Royalty Period"); provided, however, that FRI hereby agrees to provide to LMI a timely and accurate monthly report that sets forth the Net Sales for each calendar month not later than **** (****) days after the end of each **** in the Royalty Period.

7.3 FRI shall pay the royalties for each applicable Royalty Period by **** of such applicable Royalty Period. All payments shall be in **** and all such payments shall be made by wire transfer in immediately available funds to an account designated by LMI.

7.4 Notwithstanding the foregoing, the parties acknowledge and agree that Products in FRI's inventory as of **** shall remain subject to the terms of the Prior Agreement (i.e., such Product will remain subject to the then-current **** unit prices). The parties acknowledge that the Finished Products manufactured from the Products in FRI's inventory as of **** shall be **** under this Agreement. Such inventory will be sold by FRI using a **** method.

Article 8. (Withholding of Taxes, Etc. on License Fee)

Any income and other taxes which may be imposed upon any of the payments to be made by FRI to LMI under this Agreement by virtue of the applicable taxation laws of Japan shall be for the account of ****; provided, however, that any such taxes as shall be paid by **** on behalf of **** to the pertinent tax authorities shall be evidenced by an appropriate certificate or other evidence issued by such authorities. ****will cooperate with ****to execute procedures for LMI to file the application form of income tax convention with Japan National Tax Agency.

Article 9. (Reports)

9.1 Subject to any other provision of this Agreement, each party will provide the other with all information relevant to the promotion of the Finished Products within a reasonable time after such information becomes known to the party or has been requested by the other party, provided that such information is not received from any independent third party under a secrecy obligation.

9.2 Each party shall comply with the requirements set forth in the SDEA reporting requirements concerning Adverse Experiences and Serious Adverse Experiences.

9.3 Each party shall comply with the requirements set forth in the Quality Agreement reporting requirements concerning discontinuation of manufacturing, selling, recall, disposal and other actions taken by the parties to prevent the onset or spread of risk to public health and hygiene.

Article 10. (Inspections)

10.1 LMI will have the right, at reasonable intervals and on prior notice, to inspect FRI's facilities used in the manufacturing, packaging, storage, testing, shipping or receiving of the Products and Finished Products. Representatives of LMI will have access during audits to all documents, records, reports, data, procedures, facilities, regulatory submissions and all other information solely related to the Products and Finished Products and required to be maintained by applicable government regulations. LMI shall have the right to observe from time to time the manufacture, packaging and quality control testing of the Products by FRI. In addition, LMI shall have the right to audit data, reports and all other information with regard to FRI's sales of the Finished Products. The information LMI obtains through such inspection may be FRI's Confidential Information (as defined below) and subject to LMI's confidentiality obligation set forth herein.

10.2 FRI will have the right, at reasonable intervals and on prior notice, to inspect facilities set forth in the Quality Agreement. Representatives of FRI will have access during audits to all documents, records, reports, data, procedures, facilities, regulatory submissions and all other information solely related to the Products and required to be maintained by applicable government regulations (including, but not limited to, ****) in accordance with the Quality Agreement. The information FRI obtains through such inspection may be LMI's Confidential Information (as defined below) and subject to FRI's confidentiality obligation set forth herein.

Article 11. (LMI and FRI Responsibilities)

11.1 The parties agree that they will optimize the distribution and sale of the Finished Products in connection with the commercial activities described below:

(a) LMI and FRI shall activate the prior formed joint **** committee ("****"). The **** will consist of equal numbers of representatives of each party and will meet from time to time, at mutually agreeable times and locations, to discuss **** of the Finished Products in Japan, as well as **** response in the **** and other matters of mutual interest. Additional representatives of each party or the parties, in addition to members of the JMC, may attend such meetings at the invitation of either party.

(b) From time to time, the **** shall develop and formulate **** plans for specified periods which shall set forth **** relating to the Finished Products.

(c) Neither party shall have any responsibility for the hiring, firing, or compensation of the other party's employees or for any employee benefits. No employee or representative of a party shall have any authority to bind or obligate the other party to this Agreement for any sum or in any matter whatsoever, or to create or impose any contractual or other liability on the other party without said party's authorized written approval.

(d) LMI shall have the right to comment upon and make recommendations to FRI regarding****, which recommendations FRI shall thoroughly evaluate and consider.

(e) Each party shall bear its own costs associated with its participation in the ****.

(f) FRI shall comply with all laws, rules, regulations, reporting requirements and guidelines for good distribution practices in the Territory, including, but not limited to, those covering the importation, sale, advertising and promotion of, and the payment for, the Products. In addition, FRI acknowledges that LMI is a U.S. corporation and it is the policy of LMI and its Affiliates to comply at all times with the Foreign Corrupt Practices Act of 1977, as amended, U.S. export control

regulations, and any other applicable laws and regulations of similar effect. FRI agrees to abide by such laws and regulations and to certify such compliance to LMI in writing as reasonably requested by LMI.

(g) LMI shall comply with all laws, rules, regulations, reporting requirements and guidelines for good manufacturing practices in the United States, as specified by the U.S. Food and Drug Administration.

(h) The parties acknowledge that it is the obligation of both LMI and FRI to maintain a stable supply of the marketing authorized pharmaceuticals to be covered by the National Health Insurance System in the Territory.

11.2 FRI will visually inspect all delivered Products and perform all other required and necessary quality tests of the delivered Products after arrival at its production facility. Except as otherwise provided in this Agreement or the Quality Agreement, LMI and FRI shall have the joint right and responsibility to take such actions with respect to Finished Products as would normally be done in accordance with accepted business practices and legal requirements to obtain and maintain the authorization and/or ability to market a major pharmaceutical product in the Territory, including, without limitation, the following:

(a) maintaining a stable supply of the Finished Products ;

(b) responding to product complaints and medical information relating Finished Products;

(c) handling all returns of Finished Products;

(d) handling all recalls of Finished Products;

(e) communicating with any governmental agencies and satisfying their requirements regarding the authorization and/or continued authorization to market Finished Products in commercial quantities in the Territory; and

(f) entering into a separate Quality Agreement in compliance with governmental requirements for the importation of the Products.

11.3 LMI and FRI agree to reciprocally inform each other of any AE or Serious AE or product quality complaint associated with the Products or the Finished Products promptly pursuant to the terms of the Safety Data Exchange Agreement or Quality Agreement, as applicable.

Article 12. (Warranties and Indemnification)

12.1 Each party warrants and represents to the other party that it has the full right and authority to enter into this Agreement, and that it is not aware of any impediment that would inhibit its ability to perform its obligations under this Agreement.

12.2 LMI warrants that the Products shall conform to the specifications provided in the Quality Agreement for such products and shall be free from Defects for **** (****) days from the date of sale to FRI. If any such Defects are detected within **** (****) days from the date of sale, as FRI's exclusive remedy for such breach of warranty, LMI shall use commercially reasonable efforts to promptly replace of the Defective Products. Subject to the Provisions of Article 12 hereof, LMI MAKES NO OTHER WARRANTIES, EXPRESSED OR IMPLIED, WITH REGARD TO THE PRODUCTS. LMI EXPRESSLY AND SPECIFICALLY DISCLAIMS ANY WARRANTY OR MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. NEITHER PARTY SHALL BE LIABLE FOR SPECIAL OR INCIDENTAL DAMAGES.

12.3 LMI shall indemnify and hold FRI, its parent companies, affiliates and subsidiaries, and the officers, directors and employees of each of them, harmless from any and all liability, including liability for death or personal injury, and costs, losses and expenses, including reasonable attorneys' fees, that stem from any acts or omissions of LMI in connection with its duties and obligations hereunder, including as they relate to the manufacture of the Products, or from LMI's breach of any provision of this Agreement.

12.4 FRI shall indemnify and hold LMI, its parent companies, affiliates and subsidiaries, and the officers, directors and employees of each of them, harmless from any and all liability, including liability for death or personal injury, and costs, losses and expenses, including reasonable attorneys' fees, that stem from any acts or omissions of FRI in connection with its duties and obligations hereunder, including as they relate to the distribution, promotion and/or secondary manufacture of the Finished Products, or from FRI's breach of any provision of this Agreement.

Article 13. (Confidentiality)

13.1 All Confidential Information, as defined hereinafter, disclosed by or on behalf of a party (the "Disclosing Party") and received by the other party (the "Receiving Party") shall be held in confidence by the Receiving Party. From and after the Effective Date of this Agreement, subject to Section 13.2 and except as otherwise contemplated by this Agreement, the Receiving Party shall not, and shall cause its Affiliates and its and their respective directors, managers, employees, independent contractors, subcontractors, agents, lender or consultants ("Representatives") not to, directly or indirectly, disclose, reveal, divulge or communicate the Confidential Information (as hereinafter defined) of the Disclosing Party to any third party other than Representatives of the Receiving Party or of its Affiliates who reasonably need to know such information in the performance of their responsibilities under this Agreement. The Receiving Party shall not use the Confidential Information for any purpose other than in connection with exercising its rights and fulfilling its obligations hereunder. The Receiving Party and its Affiliates and Representatives shall use the same degree of care to prevent and restrain the unauthorized use or disclosure of the Confidential Information of the Disclosing Party as they currently use for their own confidential information of a like nature, but in no event less than a reasonable standard of care. "Confidential Information" means, with regard to a Disclosing Party, any confidential information, data, material or documents of such party and its Affiliates relating to this Agreement or the transactions contemplated hereunder, irrespective of the form of communication, and all notes, analyses, compilations, data, translations, studies, memoranda, operating procedures or other documents prepared by the Receiving Party or its Affiliates or their Representatives that contain or otherwise reflect such information, data, material or documents;

provided, however, that "Confidential Information" does not include, and there shall be no obligation hereunder with respect to, information, data, material or documents that (i) are or become generally available to the public, other than as a result of a disclosure by the Receiving Party and its Affiliates and Representatives not otherwise permissible hereunder, (ii) the Receiving Party can demonstrate was or became available to the Receiving Party from a source other than the Disclosing Party and its respective Affiliates, or (iii) are developed independently by the Receiving Party and its Affiliates and Representatives without reference to the Confidential Information of the Disclosing Party; provided, however, that, in the case of clause (ii), the source of such information, data, material or documents was not known by the Receiving Party to be bound by a confidentiality agreement with, or other contractual, legal or fiduciary obligation of confidentiality to, the Disclosing Party and its Affiliates and Representatives with respect to such information, data, material or documents. Confidential Information shall not be deemed within the foregoing exceptions if (i) specific information is merely embraced by more general information in the public domain or the Receiving Party's possession, or (ii) it constitutes a combination which can be reconstructed from multiple sources in the public domain or the Receiving Party's possession, none of which shows the whole combination of the Confidential Information. The obligations of this paragraph shall survive **** (****) years following the term of this Agreement.

13.2 If the Receiving Party or its Affiliates are requested or required (by oral question, interrogatories, requests for information or documents, subpoena, civil investigative demand or similar process) by any court of competent jurisdiction or by a judicial, administrative, legislative or regulatory body or committee to disclose or provide any Confidential Information of the Disclosing Party, the Receiving Party shall use all reasonable efforts to provide the Disclosing Party with written notice of such request or demand as promptly as practicable under the circumstances so that the Disclosing Party shall have an opportunity to seek an appropriate protective order. The Disclosing Party receiving such request or demand agrees to take, and cause its Representatives to take, at the requesting party's expense, all other reasonable steps necessary to obtain confidential treatment or to resist or narrow such request. Subject to the foregoing, the Receiving Party may thereafter disclose or provide any such Confidential Information, as the case may be, to the extent required by applicable law (as so advised by

counsel); it being understood that LMI shall have the right to file this Agreement with the U.S. Securities and Exchange Commission to the extent it reasonably determines such filing is required under applicable laws or regulations, and that LMI shall use commercially reasonable efforts to seek confidential treatment of pricing and other competitively sensitive information.

13.3 Title and rights to, and emanating from, the ownership of all Confidential Information disclosed under this Agreement shall remain vested in the Disclosing Party. Upon written request of the Disclosing Party, except as otherwise contemplated by this Agreement, the Receiving Party shall return promptly to the Disclosing Party or, with the prior written consent of the Disclosing Party, destroy all written materials and documents in their possessions, made available or supplied by the Disclosing Party to the Receiving Party that contains Confidential Information together with any copies thereof.

13.4 The parties further acknowledges and agrees that the disclosure of the Disclosing Party's Confidential Information without the express written consent of the Disclosing Party may cause irreparable harm to the Disclosing Party, and that any breach or threatened breach of this Agreement by the Receiving Party will entitle the Disclosing Party to seek injunctive relief, in addition to any other legal remedies available to it, in any court of competent jurisdiction.

Article 14. (Product Liability)

14.1 Both parties shall make best efforts to obtain safety information regarding Finished Products as well as products similar to Finished Products, and shall provide such information to the other party in accordance with the SDEA and Quality Agreement.

14.2 In the event that either party becomes aware of any harm, including death, sickness or adverse social consequences, caused by or attributable to a Finished Product (hereinafter called "Damage") or has any good reason to believe that Damage may have occurred or is likely to occur, such party shall give prompt written notice thereof to the other party. Thereupon, the parties shall mutually cooperate in the taking of prompt and appropriate measures to limit the

actual or potential Damage to a minimum in order to control or prevent the expansion of such Damage, and shall further cooperate in the investigation of the cause of such Damage.

14.3 LMI shall provide FRI with sufficient, precise and state-of-the-art information in the English language that will be necessary for FRI to prepare appropriate package inserts including, but not limited to, instructions and warnings, in the Japanese language that satisfy the requirements of the applicable laws of the Territory.

14.4 In the event of the occurrence of any Damage to users caused by any safety problem regarding a Product arising from LMI's manufacture thereof, or any inadequate instructions or warnings from LMI (limited to such instructions or warnings originating from LMI) regarding the use of a Finished Product except as otherwise set forth herein, LMI shall be solely responsible for any claim from such Damage, and shall be liable for the entire compensation payable therefor. If for any reason whatsoever FRI makes payment for such compensation on behalf of LMI, or incurs any cost for preventative measures taken under Section 14.2 above, or for damage control measures, LMI shall promptly indemnify FRI in full for such payments and costs.

14.5 As between the parties, FRI shall be solely liable for any Damage arising from storage, transportation, or manufacture by FRI in the Territory of any Product or Finished Product, and shall hold LMI harmless and indemnified in that respect at all times. In the event that FRI is found to be contributorily liable for causing Damage to the user of any Finished Product, FRI shall be liable jointly with LMI, for payment of the compensation and the costs set forth above in proportion to FRI's share of that liability. If for any reason whatsoever LMI makes payment for such compensation on behalf of FRI, or incurs any cost for preventative measures taken under Section 14.2 above, or for damage control measures, FRI shall promptly indemnify LMI in full for such payments and costs.

14.6 In the event that any suit is filed by any user of a Finished Product against FRI and/or LMI on the basis of any Damage sustained by such user, both parties shall mutually cooperate to defend such suit through the use of any appropriate means including, but not limited to, intervention in the suit. With regard to the bearing of the costs and expenses incurred in

connection therewith including, but not limited to, reasonable attorney's fees, the provisions of Sections 14.4 and 14.5 above shall apply mutatis mutandis.

Article 15. (Term and Termination)

15.1 This Agreement shall be for a term of ten (10) years from Effective Date unless terminated earlier under this Agreement, provided that, unless either party gives to the other party a notice of termination at least **** (****) days prior to the expiration of this Agreement, it shall be automatically renewed for **** (****) **** periods, and the same shall apply thereafter.

15.2 Either party may terminate this Agreement as follows:

(a) In the event that any stipulation or provision of this Agreement is breached by one party, the other party may, upon **** (****) days' written notice to the breaching party terminate this Agreement. However, if such breach is corrected within the **** (****) day period, and there are not unreimbursed damages resulting from the breach, this Agreement shall continue in force.

(b) Should one party (1) become insolvent or unable to pay its debts as they mature, or (2) make an assignment for the benefit of creditors, or (3) permit or procure the appointment of a receiver for its assets, or (4) become the subject of any bankruptcy, insolvency or similar proceeding, then the other party may, at any time thereafter, on written notice to the first party, effective immediately, terminate this Agreement.

(c) Upon agreement of the parties to early terminate this Agreement.

15.3 Termination of this Agreement shall not relieve FRI of any obligation to make payment of any sum due to LMI pursuant to Articles 6 and 7 herein, and shall not relieve the Receiving Party of any liability for damages to the Disclosing Party resulting from the unauthorized disclosure or use of any Know How, Confidential Information or Trademarks. Termination of this Agreement shall not terminate each parties rights and obligations under Articles 6, 7, 8, 9, 10, 12, 13, 14 and 15.

15.4 Should this Agreement terminate then, pursuant to Section 13.1, for a period not to exceed **** (****) years following the term of this Agreement, neither party shall use nor disclose any Confidential Information to any third party. T he Receiving Party shall return promptly to the Disclosing Party or, with the prior written consent of the Disclosing Party, destroy all written Confidential Information including Know-How transmitted to the Receiving Party pursuant to this Agreement, together with all copies or reproductions thereof or parts thereof.

15.5 In the event that this Agreement is terminated for any reason, FRI shall cease all importation of the Products and sales, distribution and manufacturing of the Finished Products, provided that FRI shall have the right to sell in accordance with the terms of this Agreement all unsold inventories of the Finished Products in FRI's possession unless LMI shall exercise the option, by written notice to FRI on or before the effective date of such termination, to repurchase all of FRI's remaining non-expired inventory of the Products at the original import price for such inventory purchased by FRI from LMI and request FRI to destroy at FRI's costs such non-expired inventories of the Products in FRI's possession and provide LMI with a certificate of destruction.

15.6 In the event of termination due to FRI's breach, FRI agrees to transfer at a price agreed upon by both parties to LMI or its designee all Product **** and other **** or **** held by FRI necessary for continuous sale of Finished Products in the Territory.

Article 16. (General Provisions)

16.1 Force Majeure

Neither party shall be responsible for failure or delay in performance of any obligation under this Agreement due to events or circumstances beyond its reasonable control (other than the payment of money) including but not limited to fire, flood, explosion, lightning, windstorm, earthquake, subsidence of soil, failure of machinery or equipment or supply of power due to other than any intentionally wrongful or grossly negligent act or omission by a party, court order or

governmental interference, civil commotion, riot, war, strikes, labor disturbances, transportation difficulties, Act of God or any other cause similar thereto which is beyond the control of the parties, provided, such party promptly gives to the other party hereto written notice claiming force majeure and uses reasonable commercial efforts to eliminate the effect of such force majeure, insofar as is possible and with all reasonable dispatch. Performance of any such obligation shall be suspended until events or circumstances constituting Force Majeure cease.

16.2 Notices

Except as otherwise set forth in this Agreement, all notices and other communications required or permitted shall be sent by facsimile or electronic mail (which have been designated by the parties in writing for such purpose) and confirmed by registered mail addressed to:

If to LMI:

Lantheus Medical Imaging, Inc.
331 Treble Cove Road
North Billerica, Massachusetts 01862, U.S.A.
Attn: Vice President, International

With a copy to:

Lantheus Medical Imaging, Inc.
331 Treble Cove Road
North Billerica, Massachusetts 01862, U.S.A.
Attn: General Counsel

If to FRI:

FUJIFILM RI Pharma Co., Ltd.
14-1, Kyobashi 2-chome
Chuo-ku, Tokyo 104-0031 Japan
Attn : Vice President, R&D

With a copy to:

FUJIFILM RI Pharma Co., Ltd.
14-1, Kyobashi 2-chome
Chuo-ku, Tokyo 104-0031 Japan

Attn: General Manager, R&D Planning and Licensing

or such other person or address as each party may furnish to the other in writing.

16.3 Assignability

Neither this Agreement nor the rights or licenses herein granted to FRI shall be assignable or otherwise transferable by a party (directly or indirectly, including by operation of law) to any third party (other than a third party assignee (i) at least ****% of which assignee is owned (and maintained), directly or indirectly, by the assigning party, and (ii) which assignee is capable of performing under, and agrees to be bound by, all of the terms and conditions of this Agreement as if an initial party thereto) without the prior written consent of the other party, except this Agreement shall be assignable to LMI's successor-in-interest in connection with LMI's merger, acquisition, sale of the business, sale of the business line related to the Products, reorganization, recapitalization or other change of control, provided that any successor-in -interest agrees to be bound by all of the terms and conditions of this Agreement as if an initial party thereto.

16.4 Governing Law

This Agreement shall be construed in accordance with the laws of Japan.

16.5 Dispute Resolution

16.5.1 Should any dispute arise hereunder, or in connection with herewith, the parties agree to consult each other in order to reach an amicable settlement.

16.5.2 In the event that any dispute between the parties cannot be resolved amicably, such dispute shall be finally solved by arbitration pursuant to the Japan-American Trade Arbitration Agreement of September 16, 1952. The place of arbitration shall be Boston, Massachusetts, United States in case the arbitration is invoked by FRI, and Tokyo, Japan in case the arbitration is invoked by LMI. The arbitration award shall be final and binding, and can be enforced by the enforcement judgment of the court of jurisdiction.

16.6 Entire Agreement

This Agreement, including all Schedules and Attachments referred to herein which form a part hereof, embody the entire Agreement and understanding of the parties in respect of the subject matter contained herein. There are no restrictions, promises, warranties, covenants or undertakings other than those expressly set forth or referred to herein. This Agreement supersedes all prior agreements and understandings between the parties with respect to such subject matter. No amendment of this Agreement shall be valid unless in writing and signed by both parties.

16.7 Waiver

Failure of either party to object to a breach of nonperformance of any term of this Agreement shall not constitute a waiver of the party's right to require a remedy of a subsequent or continuing breach of such term or to enforce the balance of this Agreement.

16.8 Risk of Loss

Risk of loss, damages, deterioration of the Products shall be at the responsibility of FRI upon ****.

16.9 Relationship between Parties

It is expressly agreed that the relationship between the parties established under this Agreement is solely that of licensor/licensee and buyer/seller. It is understood that nothing in this Agreement constitutes FRI as the agent or legal representative of LMI or its affiliates for any purpose whatsoever. FRI is not authorized to assume or create any obligation or responsibility, expressed or implied, on behalf of or in the name of LMI or its affiliates, or to bind LMI or its affiliates in any manner.

16.10 LMI's Trademarks

Any LMI-owned trademarks used on the Products are and shall be the exclusive property of LMI or, as the case may be, an affiliate of LMI, and FRI shall not use or register any such trademark without prior written approval of the owner.

16.11 **** Products

During the Term of this Agreement, FRI agrees it shall not during the term of this Agreement, sell, directly or indirectly, any **** without first obtaining the express written consent of LMI. For purposes of this Agreement, a "****" of **** shall include any product **** (including, but not limited to, any product which is categorized as **** for a marketing authorization application with **** in accordance with Japanese Pharmaceutical Affairs Law); provided, however, **** which have been authorized by MHLW and pre-approved for sale by the parties hereunder will not be restricted by the foregoing provision so long as the sale of such products remains subject to the terms of this Agreement (including, but not limited to, the royalties and purchase requirements set forth herein).

Article 17. (Miscellaneous Provisions)

17.1 No license or right is granted by implication or otherwise with respect to any patent application or patent or Know-How except as specifically set forth herein.

17.2 LMI shall not be required to grant any right with respect to any patent application or patent or Know-How or furnish information as to which LMI shall incur financial or other liability to a third party, and no information shall be required to be furnished over governmental prohibition or objection.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement by their duly authorized representatives in duplicate on the date shown below but effective as of the Effective Date first written above.

LANTHEUS MEDICAL IMAGING, INC.

By:	/s/ Donald R. Kiepert
Name:	Donald R. Kiepert
Title:	President and CEO
Date:	12/28/12

FUJIFILM RI PHARMA CO., LTD.

By:	/s/ Yoshiro Kumano
Name:	Yoshiro Kumano
Title:	President & CEO
Date:	18 December, 2012

Schedule 1

Trademarks

Trademark	Registration No. (Appln. No.)	Registration Date (Filing Date)
CARDIOLITE	2212950 (87/57085)	February 23, 1990 (May 25, 1987)
CARDIOLITE In Katakana letters	2266312 (87/95714)	September 21, 1990 (August 25, 1987)
NEUROLITE With its Katakana letters	2286501 (88/36541)	November 30, 1990 (April 1, 1988)

Schedule 2

Selling Prices

Selling Prices for the Products are calculated in accordance with the unit price in the following table and are subject to the provisions in Article 5, 6 and 8.

****	****	****/kit
****	****	****/kit
****	****	****/g
****	****	****/g

Schedule 3

Royalty

Royalties from FRI to LMI are calculated in accordance with the following table based on the Net Sales and are subject to provisions in Article 7 and 8.

****	****	****	****	****
**** products	****%	****%	****%	****%
**** products	****%	****%	****%	****%

Attachment 1

Safety Data Exchange Agreement

between

Lantheus Medical Imaging

and

FUJIFILM RI PHARMA, CO., LTD

Regarding

The Product(s)
set forth in Appendix I

Revision Date: December 2012

I. General Provisions

A. Background

Lantheus Medical Imaging, Inc., having a business office at 331 Treble Cove Road, N. Billerica, MA 01862, and FUJIFILM RI Pharma Co., Ltd., having a business office at 14-1, Kyobashi 2-chome, Chuo-ku, Tokyo 104-0031 Japan ("MAH"), have entered into a business relationship related to the product(s) listed on **Appendix I** (hereinafter, collectively, referred to as the "Product(s)").

LMI and the MAH have agreed to and hereby enter into this Safety Data Exchange Agreement (this "SDEA") as of the date of the last signature hereto (the "Effective Date") to set forth guidelines and procedures for (i) the provision of medical information, (ii) the receipt, recordation, exchange, communication, and submission of safety information associated with the use of the Product(s) ("Safety Data"), and (iii) the receipt, recordation, exchange, communication, investigation and submission of Product Quality Complaints (as defined below). LANTHEUS and the MAH may hereinafter be collectively referred to as the "Parties".

B. Definitions and Terminology

For this document, ICH definitions are used.

Various terms are used by the Regulatory Agencies when referring to adverse events (AE), including adverse effect, adverse experience and unanticipated problems. For the purpose of this SDEA the term Adverse Events will be used.

"Adverse Event" (AE) is defined as any untoward medical occurrence in a patient or clinical investigation subject administered a pharmaceutical product regardless of any causal relationship with the product, including, but not limited to, the following: an adverse event occurring in the course of the use of a drug product. An AE may be a new unintended or unfavorable sign or symptom, a laboratory abnormality, or a worsening in severity or frequency of a pre-existing medical condition. An AE may arise from use of the product within the terms of the marketing authorization, outside the terms of the marketing authorization or during occupational exposure.

In addition to AEs, the following types of safety reports ("Special Situations" or "SS") are subject to the same terms as AEs within this SDEA, regardless of whether an AE actually occurred:

- Use of product during pregnancy;
- Adverse reactions in an infant during breastfeeding;
- Reports on compassionate use/named patient use;
- Lack of efficacy or effect;
- Report of suspected transmission of infectious disease;
- Reports of overdose (accidental or intentional), abuse, misuse or medication error; or
- Occupational exposure.

"Awareness Date" is the date that MAH personnel first becomes aware of information on an AE associated with the use of a Product and determines that it meets the minimum criteria. For the

avoidance of doubt, the date will be determined according to the time zone of the location of such personnel at that moment. The Awareness Date shall be counted as day zero for Safety Data exchange and regulatory reporting purposes.

"Minimum Criteria" are the four criteria that are required to record an AE in the safety database:

- Identifiable patient (i.e., a reporter has confirmed the patient exists); patient identifiers are not required;
- Identifiable reporter (at least the reporter type should be known, e.g., consumer or physician);
- Adverse event (including events to be treated in the same manner, e.g., overdose, abuse, misuse, medication errors, occupational exposure, pregnancy, breastfeeding, or transmission of infectious agents); and
- Identifiable drug (i.e., LMI brand name or active pharmaceutical ingredient where a brand name is not available).

"Product Quality Complaint" (PQC) is defined as an oral or written report, originating from an external or internal source, stating that a commercial product marketed by LMI is not meeting the customer's expectations in relation to identity, quality, effectiveness or performance of the product. Examples include a non-functioning device, a generator unable to elute, cracked or broken needles, a cracked vial, leakage of product into packaging prior to dosing, a piece of stopper in the vial, non-visualization of a target organ, or a product that arrives in damaged condition.

"Serious Adverse Event" (SAE) is an AE that is fatal, life-threatening, requires hospitalization or prolongs an existing hospitalization, results in- persistent or significant disability, is a congenital anomaly/birth defect or is medically significant. Examples include hospitalization due to a heart attack, stroke, or a life-threatening allergic reaction. Transmission of an infectious agent is always considered serious.

"Territory" shall mean the country of Japan, which is/are the country(ies) governed by this SDEA.

C. Summary of Responsibilities

MAH shall be responsible for providing a medical information service; receipt, documentation and follow-up of AEs; receipt, documentation and follow-up of PQCs; for forwarding all AEs, PQCs, Special Situations, and other safety or quality related information to LMI to the contact points designated by LMI, for maintaining their own safety and quality databases, for trend analysis and issue management within the Territory and for reporting of such events per country or territory regulations. MAH shall ensure that all of its distribution or marketing partners comply with the terms and conditions set forth herein.

LMI is responsible for forwarding international AEs and Special Situations to the MAH, and for maintaining the global safety database for the Products.

D. Market Authorization Holder

The Marketing Authorization Holder ("MAH") has the attendant accountabilities described in this SDEA.

E. Communications

The communications under the terms of this SDEA shall occur between the medical information, pharmacovigilance (PV) and/or quality systems and compliance offices of each Party, or the equivalents thereof, as set forth in **Appendix II**. The Parties hereby agree that all communications shall be in English. English translations of Safety Data and Product Quality Complaints within the scope of this SDEA shall be the responsibility of the Party that is sending such information.

F. Confidentiality of Information/Privacy Laws

The Parties shall implement all reasonable physical, technical and administrative safeguards to protect medical information, Safety Data and PQC information governed by this SDEA from loss, misuse, and unauthorized access, disclosure, alteration or destruction and shall otherwise afford such information at least the same level of confidentiality treatment as the confidential information protected under the business agreements between the parties. In addition, each Party shall collect, use and disclose Safety Data and PQC information governed by this SDEA solely for purposes as described in applicable legislation, and in compliance with all applicable privacy and data protection laws, rules, and regulations. The Parties shall notify each other promptly of any unauthorized uses or disclosures of such information.

G. Training

MAH agrees to ensure that all relevant personnel, including, but not limited to, relevant personnel of its affiliates and marketing partners, are sufficiently informed and trained on the terms and procedures outlined within this SDEA, including without limitation, the process for the receipt, recordation, exchange, communication and submission of Safety Data, PQC and medical information for the Product(s) and all relevant regulations and laws thereto. This training must include any sales representatives contracted by the MAH, as well as those responsible for providing medical information, pharmacovigilance and product quality complaint services. MAH also agrees to document the aforementioned training activities, including the training material(s) used and make these documents reasonably accessible to LMI upon request.

LMI shall ensure that all relevant LMI personnel, including the Global Pharmacovigilance Agent, are trained in respect of this SDEA.

II. Individual Case Safety Reports (ICSRs) Exchange

A. *General Guidelines*

As defined in section 1B, for the purpose of this SDEA, ICSRs shall include, but are not limited to, the following types of reports: adverse events; adverse events associated with a product quality complaint; serious adverse events, or Special Situations (See Section 1 B).

ICSRs may originate from any source, such as healthcare professionals, regulatory authorities, consumers, patients, lawyers, and medical/scientific literature. They may also be solicited reports such as those that are derived from organized data collection systems, such as clinical trials, registries, non-clinical studies (e.g., toxicological studies), post-approval named patient use programs, other support and disease management programs, surveys of patients or healthcare providers, or information gathering on efficacy or patient compliance. MAH should attempt to obtain medical confirmation of ICSRs originating from non-healthcare professionals.

The MAH shall use every effort to ensure that all ICSR reports meet the minimum criteria for a valid safety report. Such reports shall conform to all applicable regulatory requirements and shall, at a minimum, include the following information: an identifiable reporter, the patient identifier/subject number, the adverse event(s), and the product(s) involved, as described in section 1B. However, cases should be transmitted for processing even when the patient and/or the reporter have not been identified. Each Party shall use every effort to obtain comprehensive information for all ICSR reports, including a causal assessment from the reporter. Solicited reports should be clearly marked as being of solicited origin and must have an appropriate causality assessment by a healthcare professional.

LMI may seek additional queries for follow-up information on ICSRs (serious and non-serious), as necessary. MAH shall be responsible for obtaining such follow-up information from within the Territory and shall document all attempts (including those that were unsuccessful) for the attainment of such requested follow-up information.

B. *Literature Screening*

LMI shall be responsible for actively screening scientific and medical literature worldwide and will forward any ICSRs that are identified to the MAH. However, this action shall not limit the responsibility of the MAH to report to LMI, in accordance with the timeframes stipulated in Section III C, ICSRs, Special Situations and general safety information discovered by the review of local literature. If Territory regulations require the reporting of ICSRs from the medical literature, the MAH will do so within the required reporting timelines. LMI's literature screening activities do not replace the MAH's accountability for such activities as MAH in the Territory.

C. *Reporting AEs, SAEs, ICSRs and SS*

The MAH will forward to LMI's GPV Agent original source documents for Adverse Events, Serious Adverse Events, Individual Case Safety Reports (ICSRs), Special Situations and other safety-related information within five (5) calendar days. MAH is responsible for providing an English translation for any source documents that are in another language.

If the MAH is responsible for preparing the CIOMS, it will also forward the completed CIOMS to LMI within 5 calendar days. The following contact information should be used (or such other address, contact person, telephone number, facsimile number or e mail address as may subsequently be specified by LMI):

(i) If MAH has access to the toll-free 800 number, reports shall be made using the following contact information:

Issue	**Phone**	**Fax**	**Email**
AE, SAE, ICSR or SS	800-343-7851	866-880-9343	lantheussafety@i3global.com

(ii) If MAH does not have access to the toll-free 800 number, reports shall be made using following contact information (with the appropriate country code):

Issue	**Phone**	**Fax**	**Email**
AE, SAE, ICSR or SS	1-978-667-9531	1-734-929-6688	lantheussafety@i3global.com

The Awareness Date and the MAH's report reference number must be recorded on each report sent to LMI by MAH. In the case of a follow-up report, the date of receipt of the follow-up information must be recorded in a similar manner.

If an ICSR is received after the close of business, and it is not discovered until the next business day, the awareness date is considered to be the next business day.

D. *Reconciliation/Late Case Reporting*

On a semi-annual basis, or at an alternate frequency determined by LMI; LMI shall provide to MAH all ICSRs that were received from MAH for the Product(s) during the preceding period from the date of the last report. These ICSRs shall be used by MAH to confirm LMI receipt of reports sent by MAH. MAH shall provide prompt written confirmation of such reconciliation to LMI,

In accordance with internal company procedure, MAH shall promptly review this report, and take appropriate action to ensure compliance with the timely forwarding of future reports to LMI.

III. Regulatory Reporting Responsibilities

A. Global Safety Database

LMI shall maintain the global safety database for the collection and maintenance of all ICSR data for the Product(s). MAH will retain original source documents for each ICSRs reported, and will forward information on cases to LMI as per Section II C.

B. General Guidelines

MAH shall be responsible submitting Individual Case Safety Reports (ICSRs) and aggregate safety reports to the applicable regulatory health authority(s) in the Territory.

C. Regulatory Authority Inquiries

MAH shall notify LMI promptly if they become aware of any other adverse safety signal received from any source.

LMI and MAH shall agree an action plan for investigation and management of any of the above situations, if applicable.

The MAH shall notify LMI as soon as is practical but no later than three (3) business days after it receives any communication relating to pharmacovigilance or risk management activities (e.g., an inspection) from any regulatory authority in the Territory concerning the Product(s). LMI shall have the opportunity to review and comment on any communications with the regulatory

authority in the Territory relating to the Product(s), which comments will be considered and incorporated in good faith by the MAH.

IV. Aggregate Safety Reports

LMI shall be responsible for the preparation of all aggregate safety reports for the Product(s). Such aggregate safety reports shall be prepared in accordance with applicable regulatory requirements, and shall include without limitation the Periodic Safety Update Report (PSUR) and the Periodic Adverse Drug Experience Report (PADER). MAH shall provide, in a timely manner, all necessary data (e.g., regulatory status and safety actions that have occurred in the Territory(s), status of MAH-sponsored clinical trials for the Product(s), if applicable, Product sales data within the Territory) and any other assistance reasonably requested by LMI in connection with the preparation of aggregate safety reports. The MAH will be responsible for submitting such reports per the regulatory requirements in the Territory.

V. Product Quality Complaint Reporting

The reports for Product Quality Complaints should include the following information:

- Name and contact information of reporter
- Product/material name or description
- Lot number
- Number of defective units

- Potency (for radioactive products only)
- Number of complaint samples available for return
- Indication of whether a patient was dosed
- Description of the complaint condition

MAH also will provide any follow up information requested by LMI or its agent for purposes of conducting an investigation

All Product Quality Complaints or defects which come to the attention of MAH shall be forwarded to LMI, through its agent for global pharmacovigilance, in English or translated to English by a qualified translation service within one (1) business day (or to such other address, contact person, telephone number, facsimile number or e-mail address as may be specified by LMI). LMI will investigate such PQCs as per Quality SOPs.

(i) If MAH has access to the toll-free 800 number, reports shall be made using the following contact information:

Issue	**Phone**	**Fax**	**Email**
PQC	800-343-7851	866-880-9343	lantheussafety@i3global.com

(ii) If MAH does not have access to the toll-free 800 number, reports shall be made using following contact information (with the appropriate country code):

Issue	**Phone**	**Fax**	**Email**
PQC	1-978-667-9531	1-734-929-6688	lantheussafety@i3global.com

VI. Medical Information

MAH shall answer and maintain a record of all medical information queries with respect to the Products in the Territory. MAH is responsible for provision of a medical information service in accordance with applicable legislation and guidance in the Territory, which may require provision of a 24/7 service in some Territories. MAH shall ensure that the contact information for the medical information service is published in usual literature appropriate to the Territory.

VII. Additional Provisions

A. Written Procedures

Each Party shall keep on file in their own manner, and in accordance with regulatory requirements, written SOPs, work practices, and all correspondence, documents, and any other information pertaining to the safety of the Product(s). Further, in case the other Party makes any request concerning said information, each Party shall cooperate with and assist the other Party, within reason, by complying with the request.

B. Audits

LMI has the right to request access to, with reasonable notification, all files, Standard Operating Procedures (SOPs), work practices, training material, training files and other documents of MAH pertaining to its obligations under this SDEA, and any pharmacovigilance activities performed for the Product(s). Upon reasonable notification, LMI is entitled to conduct on-site audits in order to review MAH's pharmacovigilance procedures and guidelines that require on-site evaluation. On-site audits shall be limited to audit items pertaining to the Product(s) and procedures and responsibilities described and approved by the Parties in this SDEA.

C. Measures Taken to Protect Public Health

MAH shall immediately inform LMI of any newly identified safety issue or signal, or any circumstance arising for the Product(s) in the Territory where an action may be required to protect public health. Similarly, LMI will inform the MAH of any newly identified safety issue or signal, and action that may be required to protect public health in the Territory, even if such signal did not originate from the specific MAH.

D. Record Keeping/Retention Policy

MAH shall maintain for an indefinite period of time, records of all Safety Data, including source data (if applicable) and any correspondence relating thereto. MAH agrees to maintain records of all ICSRs submitted to LMI for processing and reporting to regulatory authorities. Such records shall include source documents for each ICSR; the date the report was received by MAH; the date the report was submitted to LMI and the regulatory health authority, if applicable; the reference number and code of the report.

In the event that one of the Parties intends to destroy any such documentation, such Party shall notify the other Party reasonably in advance thereof.

VIII. Terms of this SDEA

This SDEA supersedes any previous safety data exchange agreements and any amendments thereto between the Parties related to the Product(s) in the Territory. Each Party, and its or their successors and assigns, is bound by its terms, and it is in effect unless and until both Parties agree to terminate this SDEA. In the event that this SDEA or the Agreement is terminated, the Parties agree to implement the necessary procedures and practices to ensure that any outstanding pharmacovigilance or Product reporting obligations are fulfilled.

The Parties agree that in the event of a conflict between the terms of the business relationship between the parties and this SDEA, this SDEA shall control and govern with respect to the provision of medical information services, receipt, recordation, exchange, communication and/or submission of Safety Data for the Product(s), pharmacovigilance responsibilities related to the Product(s) or Product Quality Complaints.

Neither Party shall be required to adhere to any requirement set forth in this SDEA, or take or refrain from taking any action whatsoever that is inconsistent with any applicable national or international regulatory requirement.

The Parties agree to review this SDEA whenever the roles and responsibilities of the Parties change or at a minimum of every five (5) years. In the event that a written renewal is necessary, it shall be considered complete when LMI and MAH have mutually agreed to a revised SDEA or addendum, and upon document signing by both Parties.

There can be no use of any information covered by this SDEA for any purpose not contemplated by this SDEA.

IX. Signatories

IN WITNESS WHEREOF, the Parties have executed this SDEA, made effective as of the Effective Date, by their duly authorized representatives as of the date last written below.

LMI		**MAH**	
By:		By:	
Print Name:	Alex Kuta	Print Name:	Ryoji Adachi
Title:	VP, Global Regulatory Affairs	Title:	General Manager
Date:		Date:	

APPENDIX I

Product(s)

CARDIOLITE® (Kit for the Preparation of Technetium Tc99m Sestamibi for Injection)
NEUROLITE® (Kit for the Preparation of Technetium Tc99m Bicisate for Injection)

APPENDIX II

Contact Information

If MAH has access to the toll-free 800 number, reports shall be made using the following contact information:

Issue	Phone	Fax	Email
AE, SAE, ICSR, SS or PQC	800-343-7851	866-880-9343	lantheussafety@i3global.com

If MAH does not have access to the toll-free 800 number, reports shall be made using following contact information (with the appropriate country code):

Issue	Phone	Fax	Email
AE, SAE, ICSR, SS or PQC	1-978-667-9531	1-734-929-6688	lantheussafety@i3global.com

REPONSIBLE INDIVIDUALS

LMI

Medical Director, Global Pharmacovigilance
Lantheus Medical Imaging, Inc.
331 Treble Cove Road
North Billerica, MA 01862 USA

Please use the contact information for LMI set forth above.

MAH

Ryoji Adachi, General Manager
FUJIFILM RI PHARMA, CO., LTD
14-1 Kyobashi, 2-Chome
Chuo-Ku
Tokyo, 104-0031, Japan

MAH is responsible for promptly notifying LMI in writing of changes in contact information for its responsible individual (provided, however, such changes in contact information do not require an update of the SDEA). The PV responsible contact person of MAH shall have a back-up procedure in place in case of his/her absence.

Exhibit 10.57

PRIVILEGED AND CONFIDENTIAL

CONFIDENTIAL SEPARATION AND CONSULTING AGREEMENT AND GENERAL RELEASE

THIS CONFIDENTIAL SEPARATION AND CONSULTING AGREEMENT AND GENERAL RELEASE ("Agreement"), dated as of February 19, 2013, is made and entered into by and between Donald Kiepert ("Executive," "You" or "Your") and Lantheus Medical Imaging, Inc. (defined herein to include its affiliates, subsidiaries, parents, predecessors, successors and assigns, and hereinafter referred to as "Lantheus" or the "Company") (together, the "Parties").

RECITALS

WHEREAS, Your last date of employment with the Company was January 23, 2013 (the "Separation Date");

WHEREAS, You and the Company are parties to an Employment Agreement, dated January 8, 2008 (the "Employment Agreement");

WHEREAS, You and the Company wish to confirm the terms of Your separation from employment and to settle, release and discharge, with prejudice, any and all claims You have or may have against the Released Parties (defined in Section 4(a) below), including but not limited to those pertaining to or arising out of Your employment and/or Your separation from employment with the Company;

WHEREAS, the Company wishes and You agree to provide consulting services to the Company following Your separation from employment; and

WHEREAS, You and the Company have read this Agreement and have had the opportunity to review it with their respective legal counsel.

NOW, THEREFORE, in consideration of the promises and covenants contained herein, You and the Company understand and agree as follows:

1. **Separation of Employment.**

Your employment with the Company and Your membership on any and all Lantheus boards of directors, boards of trustees and/or executive or management committees ended as of Your Separation Date.

2. **Acknowledgment of Receipt of Accrued and Vested Pay and Benefits.**

(a) You acknowledge, upon signing this Agreement, that the Company has paid You, no later than the first regularly scheduled payroll date following Your Separation Date, (i) all accrued and unpaid Base Salary (as defined in the Employment Agreement) as of Your Separation Date, (ii) all reasonable business expenses reimbursable under Section 7 of the Employment Agreement, subject to satisfaction of any other requirements under applicable Company policies and (iii) any amount required under the Company's vacation policy with respect to Your accrued and unused vacation days as of Your Separation Date. You acknowledge that You did not earn any Annual Bonus (as defined in the Employment Agreement) pursuant to Section 4 of the Employment Agreement with respect to the fiscal year ending December 31, 2012 and that You are not entitled to be paid any bonus amount with respect to such fiscal year.

(b) You acknowledge, upon signing this Agreement, that You shall be entitled to any accrued and vested health and fringe benefits due to You in accordance with the Company's benefit plans (other than severance).

3. **Payments and Other Benefits to be Provided to You in Exchange for the Release and Your Obligations Under this Agreement**

(a) In exchange for and in consideration of Your covenants and promises set forth in this Agreement, contingent upon Your complying with and fulfilling each and every one of Your obligations under this Agreement (including, but not limited to (i) the Company's receipt from You of a signed, effective and irrevocable original of this Agreement and (ii) the Company's receipt from You of hard-copy proof confirming the reconciliation of Your Company-issued American Express account to a zero dollar ($0.00) balance), all of which are conditions precedent to any payment or other obligation on the part of the Company under this Section 3, Lantheus agrees to provide You with the following payments and other benefits on behalf of all Released Parties (defined in Section 4(a) below):

(i) The Company shall pay You an amount in cash equal to Your Base Salary as of the Separation Date ($426,000), which shall be paid, in substantially equal installments at the same time Your Base Salary would be paid over the 12-month period following the Separation Date (the "Severance Period") if You had remained employed with the Company; provided that, the first installment shall be paid on the next regularly scheduled payroll date following the thirty-fifth (35th) day after the date hereof and shall include payment of any amounts that would otherwise be due prior thereto; provided further that, each installment is intended to constitute a separate payment within the meaning of Section 409A of the Internal Revenue Code of 1986, as amended, and the regulations and guidance promulgated thereunder to the extent applicable (collectively "Code Section 409A");

(ii) The Company shall (A) provide You with continued life insurance benefits upon the same terms as provided to senior executive officers of the Company and at the same coverage levels as in effect for active employees and (B) pay You an amount in cash equal to a portion of Your premiums for continuing medical coverage under the Consolidated Omnibus Budget Reconciliation Act so that Your premiums for such coverage are no greater than the premiums that would be charged to a senior executive officer of the Company for the same level of coverage under the Company's group medical plan (the benefits and payments described in clauses (A) and (B) collectively, the "Health Benefits"); provided that, the amount described in clause (B) shall be paid in installments on the same schedule as set forth in Section 3(a)(i); provided further that, Your Health Benefits shall cease upon the earlier of (x) the end of the Severance Period and (y) Your becoming employed by another employer and eligible for life insurance and/or medical coverage, as applicable, with such other employer;

(iii) The Company shall pay You a Pro Rata Bonus for 2013, in an amount equal to $26,843.84, to be paid to You when bonuses with respect to fiscal year 2013 would otherwise be payable to senior executives of the Company, which is expected to be no earlier than March 1, 2014 and no later than April 1, 2014; and

(iv) the Company shall retain Your services as a consultant, on an as needed basis, following Your Separation Date (the "Consulting Period"). The Consulting Period shall continue for one year after the Separation Date. You shall be compensated at a rate of $10,000 per month during the Consulting Period (the "Consulting Pay"), with payments made at the same time the Company makes its regular payroll payments and with the first payment made on the next scheduled payroll date following the 35th day after the date hereof. During the Consulting Period, You shall make Yourself available to participate, whenever and for however long as reasonably requested by the Company, in the orderly transition of Your responsibilities. You acknowledge and agree that, during the Consulting Period, (i)

You will be an independent contractor, and not an employee of the Company within the meaning of all federal, state and local laws and regulations governing employment relationships, including insurance, workers' compensation, industrial accident, labor and taxes, as the economic reality of your relationship with the Company is one of an independent contractor rather than an employee; (ii) except as expressly authorized by the Company, You shall not have any right to act for, represent or otherwise bind the Company or any of its subsidiaries in any manner; (iii) in Your capacity as a consultant and subject to Section 3(a)(ii), You shall not be entitled to participate in any employee benefit plans or arrangements of the Company and shall not be provided with health and welfare benefits, including, without limitation, medical and dental coverage; (iv) You shall be solely responsible for any workers' compensation, unemployment or disability insurance payments, or any social security, income tax or other withholdings, deductions or payments (including self-employment taxes) that may be required by federal, state or local law with respect to any sums paid to You in Your capacity as a consultant; (v) You shall be required to pay and shall timely remit all self-employment taxes to the Internal Revenue Service and any other required governmental agencies; and (vi) the Company shall pay You in a manner consistent with your status as an independent contractor, including issuing You a Form 1099.

4. **Release of Claims.**

(a) In exchange for Lantheus providing You with the payments and other benefits set forth in Section 3, You, individually and on behalf of Your heirs, executors, personal representatives, administrators, agents and assigns, forever waive, release, give up and discharge all waivable claims, real or perceived, whether now known or unknown, against the Company, its parent, subsidiaries, and other related and affiliated companies, their employee benefit plans and trustees, fiduciaries, administrators, sponsors and parties-in-interest of those plans, and all of their past and present employees, managers, directors, officers, administrators, shareholders, members, agents, attorneys, insurers, re-insurers and contractors acting in any capacity whatsoever, and all of their respective predecessors, heirs, personal representatives, successors and assigns (collectively, the "Released Parties" as used throughout this Agreement), arising out of and in any way concerning Your employment with the Company, any terms, conditions or privileges related to Your employment with the Company, the termination of Your employment by the Company, and all alleged violations of federal, state or local fair employment practices or laws by any of the Released Parties for any reason and under any legal theory including, but not limited to, Title VII of the Civil Rights Act of 1964, 42 U.S.C. § 2000(e), *et seq*. ("Title VII"), the Americans with Disabilities Act, 42 U.S.C. § 12101, *et seq.* ("ADA"), the Age Discrimination in Employment Act, 29 U.S.C. § 621, *et seq*. ("ADEA"), the Older Worker Benefits Protection Act, 29 U.S.C. § 626(f), *et seq*. ("OWBPA"), the Employee Retirement Income Security Act of 1974, as amended, 29 U.S.C. 1001, *et seq.* ("ERISA"), the Civil Rights Act of 1991, 42 U.S.C. §§ 1981, 1983, 1985, 1986 and 1988, the Family and Medical Leave Act, 29 U.S.C. § 2601, *et seq*. ("FMLA"), the Equal Pay Act of 1963, 29 U.S.C. § 206, *et seq.* ("EPA"), the Lilly Ledbetter Fair Pay Act of 2009, H.R. 11 ("Fair Pay Act"), the Consolidated Omnibus Budget Reconciliation Act, 29 U.S.C. § 1161, *et seq*. ("COBRA"), the Occupational Safety and Health Act, 29 U.S.C. 651 *et seq.* ("OSHA"), the New York State Civil Rights Law, N.Y. Exec. Law § 291, *et seq.*, the New York State Human Rights Law, N.Y. Exec. Law § 296(1)(a), *et seq.*, the New York City Civil Rights Law, N.Y.C. Admin. Code § 8-102(5), *et seq.*, the New York State Wage Payment Law, N.Y. Lab. Law § 190(1), *et seq.*, the New York State Whistleblower Law, N.Y. Lab. Law § 740, *et seq.*, the Massachusetts Fair Employment Practices Act, Mass. Gen. Laws ch. 151B, §§ 1 to 10; the common law of the States of Massachusetts and New York; and all other federal or state or local laws, regulations, rules, ordinances, or orders, as they may be amended. You also forever waive, release, discharge and give up all claims, real or perceived and now known or unknown, for breach of implied or express contract, including but not limited to breach of promise, breach of the covenant of good faith and fair dealing, misrepresentation, negligence, fraud, estoppel, defamation, libel, misrepresentation, intentional infliction of emotional distress, violation of public policy, wrongful, retaliatory or constructive discharge, assault, battery, false imprisonment,

negligence, and all other claims or torts arising under any federal, state, or local law, regulation, ordinance or judicial decision, or under the United States, New York and Massachusetts Constitutions. You have agreed to and do waive any and all claims You may have for employment or reinstatement by the Company or any of the Released Parties and have agreed not to seek such employment or reemployment by the Company or any of the Released Parties in the future.

(b) The Company and You acknowledge and agree that the release contained in Section 4(a) does not, and shall not be construed to, release or limit the scope of any existing obligation of the Company and/or any of its subsidiaries or affiliates to (i) indemnify You for Your acts as an officer or director of the Company in accordance with the bylaws of the Company or the law or (ii) You and Your eligible, participating dependents or beneficiaries under any existing group welfare (excluding severance), equity, or retirement plan of the Company in which You and/or such dependents are participants.

(c) Notwithstanding the release contained in Section 4(a) above, You do not waive: (i) Your right to bring an action to enforce the terms of this Agreement; (ii) Your rights with respect to the capital stock of Lantheus MI Holdings, Inc., the indirect parent entity of the Company ("Holdings"), that You own and all rights with respect thereto under the Amended and Restated Shareholders Agreement, dated as of February 26, 2008, among Holdings and certain other parties thereto (as amended, the "Shareholders Agreement"); (iii) Your rights with respect to the options granted under the Option Grant Award Agreement, made as of February 26, 2008, between Holdings and You (; or (iv) Your right to file a charge with the EEOC or participate in an investigation conducted by the EEOC; however, You expressly waive Your right to monetary or other relief should any administrative agency, including but not limited to the EEOC, pursue any claim on Your behalf.

5. **Covenant Not to Sue.**

You warrant that You do not have any complaint, charge or grievance against any Released Party pending before any federal, state or local court or administrative or arbitral agency, and You further agree and covenant not to sue, file a lawsuit, or commence any other proceeding, arbitral, administrative or judicial, against any of the Released Parties in any court of law or equity, or before any arbitral body or administrative agency, with respect to any matter released in Section 4(a) above, provided, however, that this covenant not to sue does not affect Your rights to enforce appropriately the terms of this Agreement in a court of competent jurisdiction and does not affect Your right to file a charge with the EEOC or participate in an investigation conducted by the EEOC; however, You expressly waive Your right to monetary or other relief should any administrative agency, including but not limited to the EEOC, pursue any claim on Your behalf. Should You file a lawsuit with any court or arbitration panel concerning any claim, demand, issue, or cause of action waived through this Agreement, You agree that You will be responsible to pay the legal fees and costs that the Released Parties incur defending that lawsuit. Further, You agree that nothing in this Agreement shall limit the right of a court to determine, in its sole discretion, that the Released Parties are entitled to restitution, recoupment or set off of any monies paid should the release of any claims under this Agreement subsequently be found to be invalid.

6. **Non-Admission of Liability.**

You agree that this Agreement shall not in any way be construed as an admission that any of the Released Parties owe You any money or have acted wrongfully, unlawfully, or unfairly in any way towards You. In fact, You understand that the Released Parties specifically deny that they have violated any federal, state or local law or ordinance or any right or obligation that they owe or might have owed to You at any time, and maintain that they have at all times treated You in a fair, non-discriminatory and non-retaliatory manner. Further, you affirm that you are not aware of any wrongdoing, regulatory

violations or corporate fraud committed by the Company or its employees that has not otherwise been previously reported to the Company in writing.

7. **Reference-Related Communications.**

You agree that, should You or any prospective employer for You desire that Lantheus engage in any reference-related communications, You will direct such inquiries exclusively to Michael Duffy, the General Counsel of the Company, for confirmation only of Your: (a) dates of employment; (b) employment position; (c) base salary; and (d) as applicable, bonuses or incentive compensation pay. You also agree that, except for the Company's verbal confirmation of dates of employment, position title, base salary and, as applicable, bonuses or incentive compensation pay as expressly set forth above, the Released Parties will have no obligation to engage in any reference-related communications whatsoever with Your past, existing or prospective employers unless compelled by a court order or other legal process and that You expressly covenant not to sue or otherwise initiate any action or proceeding pertaining to or arising out of any reference-related communications by the Company.

8. **Confidentiality of this Agreement.**

You agree to keep the terms of this Agreement, to the extent permitted by law, completely confidential and to not disclose information about this Agreement to anyone other than Your spouse or domestic partner, attorneys and licensed tax and/or professional investment advisors (hereafter referred to as "Your Confidants"), all of whom You will inform of and obtain their advance agreement to be bound by this confidentiality provision. Neither You nor Your Confidants shall disclose the terms of this Agreement to anyone including, but not limited to, any representative of any print, radio or television media; any past, present or prospective employee of or applicant for employment with the Company; any employee of any company in the pharmaceutical business; any executive recruiter or "headhunter"; any counsel for any current or former employee of the Company; any other counsel or third party; or the public at large. You agree that, should any of Your Confidants disclose information about this Agreement, the disclosure will be treated as a breach of the Agreement by You.

9. **Cooperation.**

(a) In accordance with Section 12(l) of the Employment Agreement, You agree to cooperate reasonably and in good faith with the Company as may be necessary to respond to any inquiries that may arise with respect to matters that You were responsible for or involved with during Your employment with Lantheus.

(b) You agree to cooperate fully and in good faith with the Company and its legal counsel in connection with any defense, prosecution or investigation of any and all actual, threatened, potential or pending court or administrative proceedings or other legal matters in which You may be involved as a party and/or in which the Company determines, in its sole discretion, that You are a relevant witness and/or possess relevant information. In connection with such matters, You agree to notify, communicate and be represented by counsel of the Company's choosing (at the Company's expense), to fully cooperate and work with such counsel with respect to, and in preparation for, any depositions, interviews, responses, appearances, or other legal matters, and to testify honestly with respect to all matters. Should the Company seek Your cooperation under this Paragraph, it shall do so only to the extent reasonable, and shall reimburse You for any reasonable out of pocket expenses You incur in connection with such cooperation, provided that You timely submit valid receipts for reimbursement to the Company.

(c) You agree to cooperate fully and in good faith with the Company and its legal counsel in connection with any and all legal matters relating to the Company or any other Released Party in which

You may be called as an involuntary witness (by subpoena or other compulsory process) served by any third-party. Your cooperation will include providing Lantheus with written notice of any subpoena or other compulsory process served upon You within forty-eight (48) hours of its occurrence, meeting with the Company's attorneys, providing the attorneys with requested information, and working with the attorneys in preparation for Your involuntary appearance. In connection with such matters, You agree to be represented by the Company's counsel (at the Company's expense), to fully cooperate and work with such counsel with respect to, and in preparation for, any response to a subpoena or other compulsory process served upon You, and to testify honestly with respect to all matters.

(d) Notwithstanding any other provision of this Agreement, You are entitled to appoint, at Your own expense, Your own legal counsel in addition to the Company's counsel in connection with any legal matters covered by Section 9 of this Agreement; provided, however, that, if You decide to appoint Your own counsel because there is an actual conflict that prevents the Company's counsel from representing both the Company and You, the Company will reimburse You for the reasonable fees and costs of Your chosen counsel, provided that such conflict is a result of Your being a party or threatened to be made a party to, or Your conduct being the subject of, any such threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Company), and You acted in good faith and in a manner You reasonably believed to be in or not opposed to the best interests of the Company, or, with respect to any criminal action or proceeding, there is no reasonable basis to believe Your conduct was unlawful. The selection by You of Your own counsel shall in no way detract from or interfere with any of the obligations You have to cooperate with the Company as agreed to herein. In no event shall the Company have any obligation to provide counsel to You in connection with any legal matters or litigation which may arise between You and the Company, if any.

10. **Non-Disparagement**

You represent that You will not make, now or ever in the future, publicly or privately, verbally or in writing, any false, disparaging, derogatory or otherwise inflammatory remarks about any of the Released Parties and/or the conduct, operations or financial condition or business practices, policies or procedures of the Released Parties to any third party, and, to the best of Your knowledge, You have not made or solicited, and You will not make or solicit, any comments, statements or the like to the media or to others that may be considered derogatory or detrimental to the good name and business reputation of any of the Released Parties; provided, however, that nothing in this paragraph is intended to prohibit You from providing truthful information to any government entity, arbitrator, or court, or to otherwise testify truthfully under oath, as required by law.

The Company and Holdings Boards of Directors will not make, now or ever in the future, publicly or privately, verbally or in writing, any false, disparaging, derogatory or otherwise inflammatory remarks about You in connection with your employment with the Company, or make or solicit any comments, statements, or the like to the media or to others that may be considered derogatory or detrimental to Your good name and business reputation; provided, however, that nothing in this paragraph is intended to prohibit the Company or Holdings or the members of their Boards or Directors from providing truthful information to any government entity, arbitrator, or court, or to otherwise testify truthfully under oath, as required by law.

For the purposes of this Section 10, any comments or remarks made during or regarding any discussions or negotiations of the ongoing treatment of Executive's equity interests in the Company, or as to Holdings' exercise or non-exercise of its rights with respect to such equity interests under the Shareholders Agreement or the Option Grant Award Agreement, including any characterizations of such discussions or negotiations or the action taken or that will not be taken by Holdings, shall not, in and of

themselves, be considered false, disparaging, derogatory or inflammatory remarks that fall within this Section 10.

11. **Non Disclosure of Confidential Information and Return of Company Property**

(a) You acknowledge Your continuing obligations with regard to Confidential Information in accordance with Section 10 of the Employment Agreement, You affirm that You have complied with this provision, and You agree that You will continue to abide by the terms and conditions of Section 10 of the Employment Agreement.

(b) In accordance with Section 10(a)(iv) of the Employment Agreement, You represent and warrant that You have, as of the date of Your signing this Agreement, returned all originals and copies of all documents and records made or compiled by You and/or made available to You during the period of Your employment with the Company that contain confidential, proprietary, trade secret or other business information belonging to the Company and/or any of the Released Parties, whether printed, typed, handwritten, videotaped, transmitted or transcribed on data files or on any other type of media and whether or not labeled or identified as confidential, proprietary or trade secret. You further represent and warrant that You have not, and will not, directly or indirectly, at any time, now or ever in the future, download, print, copy, electronically transmit, disclose, release or retain any such information for personal use or any other purposes for Your own benefit or the benefit of any third party.

(c) In addition to having returned all originals and copies (in whatever format) of all Confidential Information and other business information belonging to the Company and the Released Parties, You warrant that You have returned all other written information regarding the Company and all Lantheus property and materials including, but not limited to, credit cards, calling cards, keys, keyfobs, identification badges, files, records, samples, computer disks, laptop computers, printers, personal digital assistants, and any other electronic equipment You were furnished by the Company.

12. **Restrictive Covenant Agreements**

You acknowledge and agree that You will be subject to and will abide by the terms and conditions of the restrictive covenant agreements in Section 9 of the Employment Agreement, including, among other covenants, the covenant against competition, the covenant against solicitation of employees, and the covenant against solicitation of clients and prospective clients. It is understood and acknowledged that the Restricted Period shall have commenced as of the Separation Date.

13. **No Tax Advice Provided.**

You agree that You have not been provided any advice by any of the Released Parties regarding the tax or withholding consequences of the payments and other benefits provided to You under this Agreement under any federal, state or local tax or withholding laws or regulations. You also agree that You will be solely responsible for the tax liabilities and consequences arising under any federal, state or withholding laws or regulations that may result from the payments of the Severance Pay, Consulting Pay, Health Benefits or other payments or benefits referenced in this Agreement, and hold the Released Parties harmless from and indemnify them for any costs, fines, interest or penalties owed by You under such laws or regulations. Additionally, You agree that the Released Parties will not be required to pay any further sum to You, even if such tax or withholding consequences are not foreseeable at the time You sign this Agreement or are ultimately assessed in a manner which You do not anticipate at the time You sign this Agreement.

14. **Successors and Assigns.**

This Agreement shall not be assignable by You, but shall be binding upon You and upon Your heirs, administrators, representatives, executors, and successors. This Agreement shall be freely assignable by Lantheus without restriction and shall be deemed automatically assigned by the Company with Your consent in the event of any sale, merger, share exchange, consolidation or other business reorganization. This Agreement shall be binding upon, and shall inure to the benefit of, the Company's successors and assigns.

15. **Consultation with Counsel; Reasonable Time to Consider Agreement During Review Period; Voluntary Acceptance of this Agreement; Right and Time to Revoke; Effective Date.**

(a) You acknowledge that, through this writing, Lantheus has recommended that You consult with an attorney and tax advisor of Your own choosing before signing this Agreement, that sufficient time has been made available to You to consult with an attorney or tax advisor, and that You have, in fact, consulted Your attorney and tax advisor or knowingly waived the right to consult Your attorney and tax advisor.

(b) You understand that You have a period of twenty-one (21) days after Your receipt of this Agreement to review and consider the Agreement before signing it, except that if the last date of that period falls on a Saturday, Sunday or holiday observed by the Company, You will have until the close of business on the next immediate business day (the "Review Period"). You also understand that You may use as much of the Review Period as You wish before signing this Agreement. You agree that any material or immaterial changes to this Agreement will not restart the running of the Review Period.

(c) You may elect to accept this Agreement by sending a signed, dated and notarized original to Michael Duffy, the General Counsel of the Company, postmarked no later than the close of business on the last day of the Review Period. To the extent that You sign this Agreement and return it to the Company prior to the expiration of the Review Period, You warrant that You have voluntarily and knowingly waived the remainder of the Review Period.

(d) By signing this Agreement, You warrant that You have carefully read and fully understand all of the terms of this Agreement, You are competent and of sound mind to execute this Agreement, and that You are knowingly and voluntarily signing this Agreement of Your own free will, act and deed. You further warrant that You have made such investigation of the facts pertaining to this Agreement and all matters contained herein as You deem necessary, desirable and appropriate, and agree that the Release provided for herein shall remain in all respects effective and enforceable and not subject to termination or rescission by reason of any later discovery of new, different or additional facts.

(e) You understand that, following Your execution of the Agreement, You will have a period of seven (7) calendar days to revoke Your acceptance of this Agreement by delivering written notification of any such revocation to Michael Duffy, the General Counsel of the Company , no later than the seventh (7^{th}) calendar day after You sign it (the "Revocation Period"). Written notification of revocation may be delivered by facsimile transmission to Michael Duffy, the General Counsel of the Company by first class U.S. mail sent to Michael Duffy, the General Counsel of the Company, or by hand-delivery or overnight mail to Michael Duffy, the General Counsel of the Company, provided that such written notification of revocation must be received by the Company no later than the close of business on the last day of the Revocation Period to be effective. If You timely revoke this Agreement during the Revocation Period, the Agreement will not be effective and enforceable and You will not receive the benefits and other payments described in Section 3 and its subparagraphs above.

(f) For purposes of this Agreement, the "Effective Date" as used throughout this Agreement shall mean the first (1st) calendar day after the Revocation Period expires, provided that a notice of revocation has not been timely served upon the Company by You prior to that date.

16. **Governing Law and Venue.**

This Agreement shall be subject to, and governed by, the laws of the State of New York applicable to contracts made and to be performed therein, without regard to conflict of law principles. With respect to any dispute arising out of or related to this Agreement, the Executive hereby consents to the exclusive jurisdiction of the of the United States District Court for the Southern District of New York or the Supreme Court of the State of New York, New York County, and expressly agrees not to challenge venue or forum in the event of any litigation.

17. **Severability.**

Whenever possible, each provision of this Agreement shall be interpreted in such a manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be prohibited by or invalid under such law, such provision shall be ineffective to the extent of such prohibition or invalidity and severed from this Agreement, without invalidating the remainder of such provision or remaining provisions of this Agreement.

18. **Proper Construction.**

(a) The language of this Agreement shall be construed within the context of the whole Agreement and according to its fair meaning, and not strictly for or against any of the Parties.

(b) The paragraph headings used in this Agreement are intended solely for convenience of reference and shall not in any manner amplify, limit, modify or otherwise be used in the interpretation of any of the provisions hereof.

19. **Amendments**.

This Agreement may be modified, altered or terminated only by an express written agreement between the Company and You, which agreement must be signed by both Parties or their duly authorized agents, and expressly reference and attach a copy of this Agreement to be effective.

20. **Counterparts**.

This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

21. **Withholding**.

The Company shall be entitled to withhold from any amounts to be paid or benefits provided to You hereunder any federal, state, local or foreign withholding, FICA contributions or other taxes, charges or deductions which it is from time to time required to withhold.

22. **Code Section 409A.**

(a) The Parties agree that this Agreement shall be interpreted to comply with or be exempt from Code Section 409A, and all provisions of this Agreement shall be construed in a manner consistent with

the requirements for avoiding taxes or penalties under Code Section 409A. In no event whatsoever will the Company be liable for any additional tax, interest or penalties that may be imposed on You under Code Section 409A or any damages for failing to comply with Code Section 409A.

(b) A termination of employment shall not be deemed to have occurred for purposes of any provision of this Agreement providing for the payment of any amounts or benefits considered "nonqualified deferred compensation" under Code Section 409A upon or following a termination of employment unless such termination is also a "separation from service" within the meaning of Code Section 409A and, for purposes of any such provision of this Agreement, references to a "termination," "termination of employment" or like terms shall mean "separation from service. With regard to any provision herein that provides for reimbursement of costs and expenses or in-kind benefits, except as permitted by Code Section 409A, (i) the right to reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit, (ii) the amount of expenses eligible for reimbursement, or in-kind benefits, provided during any taxable year shall not affect the expenses eligible for reimbursement, or in-kind benefits, to be provided in any other taxable year, provided, that, this clause (ii) shall not be violated with regard to expenses reimbursed under any arrangement covered by Internal Revenue Code Section 105(b) solely because such expenses are subject to a limit related to the period the arrangement is in effect and (iii) such payments shall be made on or before the last day of Your taxable year following the taxable year in which the expense occurred. Whenever a payment under this Agreement specifies a payment period with reference to a number of days (e.g., "payment shall be made within thirty (30) days following the date of termination"), the actual date of payment within the specified period shall be within the sole discretion of the Company.

23. **Entire Agreement.**

This Agreement constitutes the entire understanding of the Parties, supersedes all prior oral or written agreements (except as expressly stated in this Agreement) (including, but not limited to, the Employment Agreement), and cannot be modified except by an express writing signed by both Parties in accordance with Section 19 above. No agreements or representations, oral or otherwise, express or implied, with respect to the subject matter hereof have been made by any party which are not set forth expressly in this Agreement. The Released Parties are express third party beneficiaries hereof. Notwithstanding the foregoing, this Agreement shall not be construed as altering, modifying, and supplanting or in any way changing or affecting the continued enforceability of Sections 8(e), 9, 10, 11, 12(f), 12(g) and 12(l) of the Employment Agreement, which shall continue to survive and be in effect.

[*Remainder of Page Intentionally Left Blank*]

IN WITNESS WHEREOF, intending to be forever legally bound hereby, the parties have executed this Agreement.

Lantheus Medical Imaging, Inc.

By: /s/ Michael P. Duffy
Name: Michael P. Duffy
Title: Vice President and Secretary

Accepted and Agreed:

/s/ Donald Kiepert
Donald Kiepert

Date: February 19, 2013

Exhibit 10.58

AMENDMENT NO. 5

TO

CREDIT AGREEMENT

AMENDMENT NO. 5, dated as of March 25, 2013 (this "Amendment"), to the Credit Agreement dated as of May 10, 2010 (as amended pursuant to that certain Amendment No. 1 to Credit Agreement, dated as of March 21, 2011, that certain Amendment No. 2 to Credit Agreement, dated as of January 26, 2012, that certain Amendment No. 3 to Credit Agreement, dated as of October 11, 2012, that certain Amendment No. 4 to Credit Agreement, dated as of February 28, 2013, and as the same may be further amended, restated, supplemented or otherwise modified from time to time, the " Credit Agreement") by and among LANTHEUS MEDICAL IMAGING, INC., a Delaware corporation (" Borrower"), LANTHEUS MI INTERMEDIATE, INC. ("Lantheus MI") and LANTHEUS MI REAL ESTATE, LLC ("Lantheus Real Estate" and together with Lantheus MI, the "Guarantors"), BANK OF MONTREAL, as administrative agent (in such capacity, the "Administrative Agent"), HARRIS N.A., as collateral agent (in such capacity, the "Collateral Agent"), the Lenders from time to time party thereto and the other parties thereto.

WITNESSETH:

WHEREAS, the Loan Parties, the Lenders, the Collateral Agent and the Administrative Agent wish to make certain amendments to the Credit Agreement on the terms and subject to the conditions herein provided;

NOW, THEREFORE, in consideration of the premises and the agreements, provisions and covenants herein contained, the parties hereto agree as follows:

SECTION 1. DEFINITIONS

Capitalized terms used but not defined in this Amendment shall have the meanings that are set forth in the Credit Agreement.

SECTION 2. AMENDMENTS

Effective as of the Fifth Amendment Effective Date (as defined below) and subject to the satisfaction (or due waiver) of the conditions set forth in Section 4 of this Amendment, the Credit Agreement is hereby amended as follows:

(a) The first sentence of the Recitals to the Credit Agreement is hereby amended and restated in its entirety to read as follows:

"The Borrower has asked the Lenders to extend credit to the Borrower, consisting of a revolving credit facility in an aggregate principal amount not to exceed $35,000,000 at any time outstanding, which will include a subfacility for the issuance of letters of credit."

(b) Subsection (a) of the definition of "Consolidated EBITDA" in Section 1.01 of the Credit Agreement is hereby amended and restated in its entirety to read as follows:

"(a) the Consolidated Net Income of such Person and its Subsidiaries for such period, (i) plus without duplication, the sum of the following amounts of such Person and its Subsidiaries for such period and to the extent deducted in determining Consolidated Net Income of such Person for such period: (A) Consolidated Net Interest Expense and, to the extent not included therein, agency fees paid to the Administrative Agent or the Collateral Agent, (B) taxes based on income or profits, (C) depreciation expense (excluding depreciation of prepaid cash expenses that were paid in a prior period and added back), (D) amortization expense (excluding amortization of prepaid cash expenses that were paid in a prior period and added back), (E) up to $4,000,000 (as such amount may be increased from time to time by the Administrative Agent in its sole discretion) of legal costs incurred by the Borrower in any trailing twelve month period in connection with the Borrower making a claim under its policy of business interruption insurance, (F) to the extent actually paid during such period, any reasonable, non-recurring, out-of-pocket expenses or charges incurred in connection with any issuance (or proposed issuance) of debt or equity or any refinancing transaction (or proposed refinancing transaction) or any amendment or other modification (or proposed amendment or modification) of any debt instrument, in each case to the extent such transaction is permitted under this Agreement, (G) to the extent actually paid upon or prior to the consummation of an investment pursuant to Section 7.02(e)(xi) hereof or a Permitted Acquisition, any reasonable, non-recurring out-of-pocket fees and expenses directly related to such investment or Permitted Acquisition, but excluding consideration paid for the Capital Stock or other assets acquired in any such investment or Permitted Acquisition, (H) to the extent actually paid during such period, the amount of management, monitoring, consulting and advisory fees and related expenses paid to the Sponsor pursuant to the Management Services Agreement as in effect on the date hereof, to the extent permitted to be paid by this Agreement, (I) any impairment charge or asset write-off pursuant to Financial Accounting Standards Board Statement No. 142 or No. 144 and any amortization of intangibles arising pursuant to such Statement No. 141, (J) any non-cash tax losses attributable to the early extinguishment of any Indebtedness or other derivative instruments of the Borrower or any of its Subsidiaries, (K) the aggregate amount of all other non-cash charges reducing Consolidated Net Income, including stock-based compensation expense (excluding any such non-cash charge to the extent that it represents an accrual or reserve for potential cash items in any future period) for such period, (L) nonrecurring, reasonable, out-of-pocket expenses for the retirement, severance or recruitment of employees or directors of the Parent and its Subsidiaries so long as the aggregate amount of all such expenses described in this clause (L) (except with respect to all such expenses contemplated in the Financial Update for Lenders dated as of March 19, 2013 in an aggregate amount not to exceed $4,760,000) does not exceed $7,500,000 (as such amount may be increased from time to time by the Administrative Agent in its sole discretion) during any measurement period, and (M) internal and external costs and expenses

incurred to relocate, establish, qualify or commence manufacturing, supply or distribution operations for Borrower's approved products and clinical candidates at third party manufacturers, suppliers and distributors, up to an aggregate amount that does not exceed (I) $15,000,000 during any measurement period through and including the measurement period ending September 30, 2012 or (II) $17,500,000 during any measurement period thereafter, (ii) plus the amount of "run-rate" cost savings, operating expense reductions, restructuring charges and expenses and cost-saving synergies projected by the Borrower in good faith to be realized as a result of actions taken or expected to be taken during such period (calculated on a pro forma basis as though such cost savings, operating expense reductions, restructuring charges and expenses and cost-saving synergies had been realized on the first day of such period), net of the amount of actual benefits realized during such period from such actions; provided that (A) such cost savings, operating expense reductions, restructuring charges and expenses and cost-saving synergies are reasonably identifiable and factually supportable, (B) such cost savings, operating expense reductions, restructuring charges and expenses and cost-saving synergies are commenced within twelve (12) months of the date thereof in connection with such actions, (C) no cost savings, operating expense reductions, restructuring charges and expenses and cost-saving synergies may be added pursuant to this clause (ii) to the extent duplicative of any expenses or charges relating thereto that are either excluded in computing Consolidated Net Income or included (i.e., added back) in computing Consolidated EBITDA for such period, and (D) the aggregate amount of cost savings, operating expense reductions, restructuring charges and expenses and cost-saving synergies added pursuant to this clause (ii) (except with respect to the cost savings, operating expense reductions, restructuring charges and expenses and cost saving synergies contemplated in the Financial Update for Lenders dated as of March 19, 2013 in an aggregate amount not to exceed $29,200,000) shall not exceed 15.0% of Consolidated EBITDA for such period (calculated on a pro forma basis), and (iii) minus (without duplication) (A) to the extent included in Consolidated Net Income, all interest income, (B) to the extent not deducted as an expense in the calculation of Consolidated Net Income, the aggregate amount paid as dividends pursuant to Section 7.02(h)(A), and (C) the aggregate amount of all other non-cash items increasing Consolidated Net Income (other than (I) the accrual of revenue or recording of receivables in the ordinary course of business and (II) any non-cash item to the extent it represents the reversal of an accrual or reserve for a potential cash item in any prior period) for such period."

(c) Section 2.04(a) of the Credit Agreement is hereby amended and restated in its entirety to read as follows:

"(a) Reference Rate Loans. Each Reference Rate Loan shall bear interest on the principal amount thereof from time to time outstanding, from the date of such Revolving Loan until such principal amount becomes due, at a rate per annum equal to the Reference Rate plus 3.75%."

(d) Section 2.04(b) of the Credit Agreement is hereby amended and restated in its entirety to read as follows:

"(b) LIBOR Rate Loans. Each LIBOR Rate Loan shall bear interest on the principal amount thereof from time to time outstanding, from the date of such Revolving Loan until such principal amount becomes due, at a rate per annum equal to the LIBOR Rate plus 4.75%."

(e) Section 7.03(a) of the Credit Agreement is hereby amended and restated in its entirety to read as follows:

"(a) Consolidated Total Leverage Ratio. Permit the Consolidated Total Leverage Ratio of the Parent and its Subsidiaries as of the last day of each period of four (4) consecutive fiscal quarters of the Parent and its Subsidiaries to be greater than the applicable ratio set forth below:

Fiscal Quarter End	Consolidated Total Leverage Ratio
The end of the last fiscal quarter in Fiscal Year 2011	5.00:1.00
The end of the first fiscal quarter in Fiscal Year 2012	6.80:1.00
The end of the second fiscal quarter in Fiscal Year 2012	7.55:1.00
The end of the third fiscal quarter in Fiscal Year 2012	7.25:1.00
The end of the last fiscal quarter in Fiscal Year 2012	8.00:1.00
The end of the first fiscal quarter in Fiscal Year 2013	8.80:1.00
The end of the second fiscal quarter in Fiscal Year 2013	10.00:1.00
The end of the third fiscal quarter in Fiscal Year 2013	8.20:1.00
The end of the last fiscal quarter in Fiscal Year 2013	7.50:1.00
The end of the first fiscal quarter in Fiscal Year 2014 and the end of each fiscal quarter thereafter	7.00:1.00"

(f) Section 7.03(b) of the Credit Agreement is hereby amended and restated in its entirety to read as follows:

"(b) Consolidated Interest Coverage Ratio. Permit the Consolidated Interest Coverage Ratio of the Parent and its Subsidiaries as of the last day of each period of four (4) consecutive fiscal quarters of the Parent and its Subsidiaries to be less than the applicable ratio set forth below:

Fiscal Quarter End	Consolidated Interest Coverage Ratio
The end of the last fiscal quarter in Fiscal Year 2011	2.00:1.00
The end of the first fiscal quarter in Fiscal Year 2012	1.40:1.00
The end of the second fiscal quarter in Fiscal Year 2012	1.30:1.00
The end of the third and last fiscal quarters in Fiscal Year 2012	1.20:1.00
The end of the first fiscal quarter in Fiscal Year 2013	1.10:1.00
The end of the second fiscal quarter in Fiscal Year 2013	1.00:1.00
The end of the third fiscal quarter in Fiscal Year 2013	1.25:1.00
The end of the last fiscal quarter in Fiscal Year 2013	1.40:1:00
The end of the first fiscal quarter in Fiscal Year 2014 and the end of each fiscal quarter thereafter	1.45:1.00"

(g) Schedule 1.01(A) of the Credit Agreement is hereby amended and restated in its entirety as set forth on Schedule 1.01(A) attached hereto.

SECTION 3. REDUCTION OF TOTAL REVOLVING CREDIT COMMITMENT

Effective as of the Fifth Amendment Effective Date, and subject to the satisfaction (or due waiver) of the conditions set forth in Section 4 of this Amendment, the Total Revolving Credit Commitment shall, without premium or penalty, be reduced by $7,500,000, in accordance with Section 2.05(a) of the Credit Agreement; provided that the Lenders agree that notwithstanding anything contrary thereto in the Credit Agreement, the Borrower shall not be required to provide written notice thereof to the Administrative Agent.

SECTION 4. CONDITIONS PRECEDENT TO EFFECTIVENESS

The amendments set forth in Section 2 and the reduction of the Total Revolving Credit Commitment referred to in Section 3 shall become effective as of the date hereof (the "Fifth Amendment Effective Date") when the following conditions precedent have been satisfied:

(a) The Administrative Agent shall have received counterparts of this Amendment duly executed by the Borrower, the Guarantors, the Administrative Agent, the Collateral Agent and the Required Lenders;

(b) The Administrative Agent and Lenders shall have received all fees, costs and expenses due and payable under the Credit Agreement and the other Loan Documents (including without limitation the fees and out-of-pocket expenses of legal counsel to the Administrative Agent);

(c) The Administrative Agent shall have received the amendment fee set forth in Section 6 below; and

(d) The representations and warranties contained in Section 5 of this Amendment shall be true and correct in all material respects as of the Fifth Amendment Effective Date.

SECTION 5. REPRESENTATIONS AND WARRANTIES

On and as of the Fifth Amendment Effective Date, after giving effect to this Amendment and the transactions contemplated hereby, each Loan Party party hereto represents and warrants to the Administrative Agent, the Collateral Agent and the Lenders as follows:

5.1 Corporate Power and Authority. Each Loan Party party hereto has all requisite power and authority to enter into this Amendment and to consummate the transactions contemplated hereby.

5.2 Authorization of Agreements. The execution, delivery and performance of this Amendment have been duly authorized by all necessary action on the part of each Loan Party party hereto.

5.3 Incorporation of Representations and Warranties from the Credit Agreement. The representations and warranties contained in ARTICLE VI of the Credit Agreement are true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations or warranties that already are qualified or modified as to "materiality" or "Material Adverse Effect" in the text thereof, which representations and warranties shall be true and correct in all respects subject to such qualification) on and as of the date hereof with the same effect as though made on and as of such date except to the extent that any such representation or warranty expressly relates solely to an earlier date (in which case such representation or warranty shall be true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations or warranties that already are qualified or modified as to "materiality" or "Material Adverse Effect" in the text thereof, which representations and warranties shall be true and correct in all respects subject to such qualification) on and as of such earlier date).

5.4 **Absence of Default.** Immediately after giving effect to this Amendment and the transactions contemplated hereby, no Default or Event of Default has occurred and is continuing or will result therefrom.

SECTION 6. AMENDMENT FEE

The Borrower hereby agrees to pay to Administrative Agent, for the benefit of the Lenders who execute this Amendment, an aggregate amendment fee equal to the amount derived by multiplying 0. 1% by the aggregate amount of the Revolving Credit Commitments of all of the Lenders signatory hereto after giving effect to the reduction of the Total Revolving Credit Commitment pursuant to Section 3 hereof. The amendment fee shall be fully earned and payable on the date hereof, nonrefundable when paid, and shared pro rata by the Lenders signatory to this Amendment in accordance with their Pro Rata Shares.

SECTION 7. MISCELLANEOUS

7.1 **References to Credit Agreement.** On and after the Fifth Amendment Effective Date, each reference in the Credit Agreement to "this Agreement", "hereunder", "hereof", "herein" or words of like import referring to the Credit Agreement, and each reference in the other Loan Documents to the "Credit Agreement", "thereunder", "thereof" or words of like import referring to the Credit Agreement shall mean and be a reference to the Credit Agreement as amended by this Amendment.

7.2 **Effect on Credit Agreement.** Except as specifically amended by this Amendment, the Credit Agreement and the other Loan Documents shall remain in full force and effect and are hereby ratified and confirmed.

7.3 **Headings.** Section headings herein are included herein for convenience of reference only and shall not constitute a part hereof for any other purpose or be given any substantive effect.

7.4 **APPLICABLE LAW. THIS AMENDMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO CONFLICT OF LAWS PRINCIPLES THEREOF.**

7.5 **Counterparts.** This Amendment may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, but all such counterparts together shall constitute but one and the same instrument. Signature pages may be detached from multiple separate counterparts and attached to a single counterpart so that all signature pages are attached to the same document. Delivery of an executed signature page of this Amendment by facsimile transmission or electronic mail shall be as effective as delivery of a manually executed counterpart hereof.

7.6 **Loan Document.** This Amendment is a Loan Document.

7.7 **Costs and Expenses.** The Borrower agrees to pay on demand, regardless of whether the transactions contemplated by this Amendment are consummated: all reasonable out-of-pocket costs and expenses incurred by or on behalf of each Agent, including, without limitation, reasonable fees, costs, client charges and expenses of one primary counsel for the Agents in connection with the preparation, negotiation, execution or delivery of this Amendment and any agreements contemplated hereby.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first written above.

BORROWER:

LANTHEUS MEDICAL IMAGING, INC.

By: /s/ Michael P. Duffy
Name: Michael P. Duffy
Title: Secretary

GUARANTORS:

LANTHEUS MI INTERMEDIATE, INC.

By: /s/ Michael P. Duffy
Name: Michael P. Duffy
Title: Secretary

LANTHEUS MI REAL ESTATE, LLC

By: /s/ Michael P. Duffy
Name: Michael P. Duffy
Title: Secretary

COLLATERAL AGENT:

HARRIS N.A.

By: /s/ Andrew J. Pluta
Name: Andrew J. Pluta
Title: Director

ADMINISTRATIVE AGENT:

BANK OF MONTREAL

By: /s/ Andrew J. Pluta
Name: Andrew J. Pluta
Title: Director

LENDER:

BANK OF MONTREAL

By: /s/ Andrew J. Pluta
Name: Andrew J. Pluta
Title: Director

NATIXIS

By: /s/ Alvin Massy
Name: Alvin Massy
Title: Vice President

By: /s/ Tefta Ghilaga
Name: Tefta Ghilaga
Title: Executive Director

JEFFERIES FINANCE LLC

By: /s/ J. Paul McDonnell
Name: J. Paul McDonnell
Title: Managing Director

Schedule 1.01(A) Revolving Credit Commitments

Lender		Revolving Credit Commitment
Bank of Montreal	$	20,588,235.00
Natixis	$	10,294,118.00
Jefferies Finance LLC	$	4,117,647.00
Total	$	35,000,000.00

Exhibit 12.1

STATEMENTS RE: COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES

(in thousands)	Year-Ended December 31, 2012	2011	2010	2009	2008
Earnings					
Income (loss) from continuing operations	$ (42,556)	$ (52,371)	$ 7,435	$ 42,304	$ 91,392
Fixed charges	42,111	37,753	22,767	13,539	31,113
Total earnings	$ (445)	$ (14,618)	$ 30,202	$ 55,843	$ 122,505
Fixed Charges					
Interest Expense	$ 42,014	$ 37,658	$ 20,395	$ 13,458	$ 31,038
Estimated interest portion within rental expense	97	95	94	81	75
Write-off of deferred financing costs	—	—	2,278	—	—
Total fixed charges	$ 42,111	$ 37,753	$ 22,767	$ 13,539	$ 31,113
Ratio of earnings to fixed charges(1)	—	—	1.3x	4.1x	3.9x

(1) Earnings were insufficient to cover fixed charges by $42.6 million and $52.4 million, for the years ended December 31, 2012 and 2011, respectively.

QuickLinks

Exhibit 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO SECURITIES EXCHANGE ACT RULES 13a-14(a) AND 15d-14(a), AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Jeffrey Bailey, certify that:

1. I have reviewed this yearly report on Form 10-K of Lantheus Medical Imaging, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation;

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: March 28, 2013

/s/ JEFFREY BAILEY

Name: Jeffrey Bailey

Title: *President and Chief Executive Officer*

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Exhibit 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT TO SECURITIES EXCHANGE ACT RULES 13a-14(a) AND 15d-14(a), AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Jeffrey E. Young, certify that:

1. I have reviewed this yearly report on Form 10-K of Lantheus Medical Imaging, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation;

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: March 28, 2013

/s/ JEFFREY E. YOUNG

Name: Jeffrey E. Young
Title: *Chief Financial Officer*

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Exhibit 31.2

Exhibit 32.1

CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED BY SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

Each of the undersigned hereby certifies that to his knowledge the Annual Report on Form 10-K for the fiscal year ended December 31, 2012 of Lantheus Medical Imaging, Inc. (the "Company") filed with the Securities and Exchange Commission on the date hereof fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that the information contained in such report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: March 28, 2013

/s/ JEFFREY BAILEY

Name: Jeffrey Bailey
Title: *President and Chief Executive Officer*

Dated: March 28, 2013

/s/ JEFFREY E. YOUNG

Name: Jeffrey E. Young
Title: *Chief Financial Officer*

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

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