

2008 FINANCIAL HIGHLIGHTS¹

Years ended October 31 (millions of U.S. dollars, except EPS)	2008	2007	% Change
FINANCIAL RESULTS¹		(Restated)	
Net revenue			
MDS Analytical Technologies	\$ 437	\$ 352	24%
MDS Nordion	\$ 296	\$ 290	2%
MDS Pharma Services	\$ 482	\$ 477	1%
	\$ 1,215	\$ 1,119	9%
Adjusted EBITDA ²	\$ 151	\$ 145	4%
Operating loss	\$ (693)	\$ (108)	(542%)
EPS			
Adjusted ²	\$ 0.21	\$ 0.43	(51%)
As reported	\$ (4.54)	\$ (0.19)	n/m
Cash from continuing operating activities	\$ (18)	\$ 176	n/m
Capital expenditures	\$ 52	\$ 71	(27%)
FINANCIAL POSITION			
Cash, cash equivalents and short-term investments	\$ 120	\$ 324	(63%)
Total assets	\$ 1,872	\$ 3,243	(42%)
Net debt	\$ 149	\$ 47	217%
Shareholders' equity	\$ 1,090	\$ 1,941	(44%)

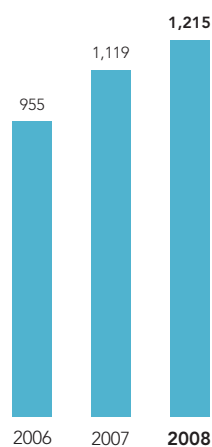
1 From continuing operations, except where noted

2 Excluding certain adjusting items as discussed in our MD&A

Over the past three years, our net revenues have grown at a compound annual growth rate of 13%, due primarily to the acquisition of Molecular Devices.

13%
CAGR

Three-year net revenue growth
(in millions of dollars)



Progress.

While responding directly to significant challenges in 2008, we made good progress with our strategy to build a stronger, more competitive MDS.

- > We focused on innovation, spending \$79 million on research and development, and launching 16 important new products and services.
- > We continued to expand our global footprint, spreading our reach in Europe, Asia and South America.
- > We continued to streamline the organization, reducing costs and enhancing operational efficiencies that have enabled us to become leaner, stronger and more agile.
- > We optimized the Company's business mix with strategic acquisitions and divestitures.
- > We increased operational excellence with dynamic new information-technology systems and more than 150 LeanSigma initiatives.
- > We repurchased approximately 2.9 million MDS Common shares through a Normal Course Issuer Bid.

KEY ACHIEVEMENTS

DURING THE YEAR, MDS FACED CHALLENGES HEAD ON. WE SEIZED OPPORTUNITIES, RESPONDED TO CHANGING MARKETS AND BUSINESS CONDITIONS, AND MOVED FORWARD WITH OUR PLAN.

2007



1/28/08
MDS Pharma Services Expands Presence in Latin America with Sao Paulo Office

1/25/08
MDS Pharma Services Opens Largest Phase 1 Clinic on U.S. West Coast

1/22/08
MDS Pharma Services Launches Industry-Leading Apollo Sample-Management System



5/28/08
Applied Biosystems | MDS Analytical Technologies Launches Software to Detect Chemical Contaminants in Food and Water

5/14/08
MDS Analytical Technologies Introduces New Systems for Genomics Research



2008

11/29/07
MDS Nordion Announces Divestiture of Non-Strategic Product Lines

11/13/07
MDS Pharma Services Announces Sponsorship of Alex's Lemonade Stand Foundation

11/12/07
MDS Pharma Services Launches Quality On Time™ Brand Campaign to Support Client Service Strategy



2/4/08
MDS Designates Cancer Its Major Charitable Cause on World Cancer Day



progress 2008



7/9/08
MDS Commences Arbitration Against AECL over Cancelled MAPLE Project and Files \$1.6-Billion Court Claim Against AECL and the Government of Canada

7/7/08
MDS Pharma Services Launches ClinQuick®, a Next-Generation Phase 1 Study-Management System



JUN

JUL

AUG

SEP

OCT

NOV

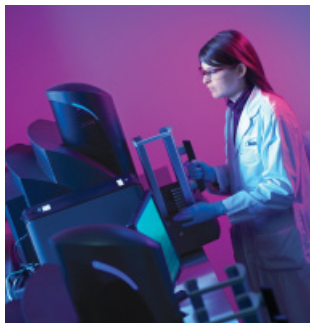
DEC

6/27/08
MDS Analytical Technologies Announces Acquisition of Blueshift Biotechnologies

6/16/08
MDS Pharma Services Adopts SAS® Technology for Clinical-Trial Data Warehousing and Analysis

6/2/08
Applied Biosystems | MDS Analytical Technologies Advances Proteomics Research Through Suite of Integrated Mass-Spectrometry Solutions

6/2/08
MDS Pharma Services Adopts Innovative Technology for Bioanalysis



10/30/08
MDS Analytical Technologies Announces Availability of New High-Throughput Method to Detect Melamine in Food

10/23/08
MDS Pharma Services Wins Two *Good Clinical Practice Journal Awards* for Project and Data Management

10/16/08
MDS Pharma Services Expands Singapore Global Central Lab Operations

10/9/08
Applied Biosystems | MDS Analytical Technologies Launches Next-Generation Mass-Spectrometry Systems



Opportunity.

MDS has exciting opportunities in the dynamic markets in which we do business.

- > Our pipeline of innovative new products and services continues to expand.
- > As customers expand into higher growth, lower cost international markets, they need global suppliers with MDS's capabilities to meet their needs worldwide.
- > Our customers face increasing pressure to accelerate development times and reduce costs, thereby creating new opportunities for us to provide innovative products and services to drive speed and productivity.
- > Increased regulatory requirements for drug development and food safety mean more testing, driving demand for MDS's instruments, technologies and services.
- > New developments in drug discovery and scientific research increase customer demand for collaboration with MDS to develop new technologies.
- > Our customers seek long-term strategic partnerships, which will facilitate growth and the expansion of MDS's market reach.

Moving forward.

MDS employees are focused on building a stronger, more competitive company by driving growth through innovation, operational excellence and globalization.

- > To better meet the needs of our customers, we are focused on globalization. We are committed to expanding our sales, service and manufacturing presence in key geographies and emerging markets throughout the world.
- > Through our commitment to operational excellence, we continue to improve speed and productivity. We are making the organization more agile and streamlined, with a competitive cost structure that generates value for all our stakeholders.
- > We continue to build a culture of innovation to develop products and services that support the discovery and development of new drugs, the diagnosis and treatment of disease, and the protection and safety of our food, water and the environment.