



GLOBALIZATION

MDS CONTINUES TO EXPAND ITS GLOBAL FOOTPRINT IN KEY GEOGRAPHIES TO BETTER MEET CURRENT AND EMERGING CUSTOMER NEEDS, AND TO GAIN ACCESS TO GROWTH MARKETS IN RAPIDLY DEVELOPING REGIONS.

The global life sciences markets in which MDS competes are among the most attractive in the world. These markets generate total revenues of more than \$25 billion – some of which are growing at double-digit rates in some sectors and regions. Just five years ago, revenues from the Company's global operations represented little more than 60% of the total. Today, more than 90% of our global revenues are generated outside Canada. Each of our businesses has made outstanding progress in building world-class global sales and marketing organizations that have enabled MDS to increase its reach in strategically important growth markets – particularly in the emerging Asia-Pacific region. Additionally, the Company will continue to expand and move to those areas where our customers' needs are highest.

Glucotrace: MDS plans to expand operations in Belgium to meet growing demand for its Glucotrace imaging agent, one of the most often-used positron emission tomography isotopes for cardiology and oncology diagnoses.



“The decision to relocate the manufacturing base of MDS Analytical Technologies to Asia makes it possible for us to lower production costs by leveraging and maximizing the region’s supply chain – and to fortify our presence in an important emerging market for MDS.”

– Andy Boorn, President, MDS Analytical Technologies

Progress	Opportunity	Moving forward
<ul style="list-style-type: none"> > MDS Analytical Technologies continued to expand its sales and service organization in China, giving us a stronger foothold in this growing market. To further reduce costs, the manufacture of key products was transferred to Singapore. > MDS Nordion continued to build momentum in Europe, with new treatment centres for TheraSphere® in Belgium and Germany. > MDS Pharma Services opened its 300-bed, state-of-the-art, early clinical research facility in Phoenix, and added new late-stage, clinical-trial monitoring capabilities in Brazil and South Korea. MDS Pharma Services expanded its Central Labs in Singapore, and increased its presence in Tokyo. > MDS Analytical Technologies is partnering with global network distributors to serve customers in growing markets around the world. 	<ul style="list-style-type: none"> > Market developments around the world open a range of optimization opportunities for our businesses, as evidenced by the strategic acquisitions and divestitures in 2008. > Growth rates in many MDS market niches are higher in emerging markets – particularly in Asia and South America. All three business platforms have been increasing their focus on and presence in the most promising market areas. > As major customers with global operations continue to outsource, they seek relationships with strategic partners of choice. MDS is well positioned to be a partner of choice in key global markets. 	<ul style="list-style-type: none"> > MDS Analytical Technologies is expanding global sales and service in high-growth markets and regions while it continues to transfer manufacturing capabilities to Asia, and further leverage the Company’s global supply chain. > MDS Nordion plans to expand operations in Belgium to grow demand for its GlucoTrace imaging agent, while it broadens markets for TheraSphere® liver-cancer treatment in Europe, the Middle East and Russia. > MDS Nordion continues to expand global distribution networks in Asia, addressing customer requirements for medical isotopes and sterilization products in the safest, fastest, most reliable way possible. > MDS Pharma Services is exploring opportunities in Russia and India to support late-stage clinical trials and evaluating the potential benefits of expanding certain operations in emerging regions.



Opportunity in Asia

In 2008, MDS Pharma Services moved its Singapore Central Lab operation to a new, larger facility, enabling the contract research organization to better meet the current and emerging needs of its clients in the Asia-Pacific region. The new facility, which is located in the Marsiling Industrial Park, has twice the previous capacity for sample storage, processing, and safety testing. MDS Pharma Services has seen its sample volume in Singapore double in the past year.