



NEWS RELEASE

May 26, 2005

MDS Nordion and Macrocylics announce research and development collaboration

Innovative compounds to be developed for use in drug discovery, development and targeted therapies

Ottawa, Canada – MDS Nordion and Macrocylics Inc. have entered into a research and development collaboration to develop innovative, bifunctional chelates for use in molecular imaging and targeted therapeutic pharmaceuticals. Bifunctional chelates are chemical compounds used to secure a radioisotope to a molecular targeting agent such as a monoclonal antibody, peptide, or other molecules specific for biologic receptors. The use of molecular targeting molecules is an established and increasingly promising technique that has the potential to significantly improve the ability to diagnose and treat disease, including cancer.

The three-year collaboration with Macrocylics will focus on novel chelate structures, linkers and conjugation methods to enable the use of a wider range of targeting vectors by the research community. The objective is to develop, and make available chelates that have performance features, such as high efficiency radiolabelling at room temperature, while maintaining stability comparable to industry standard chelates. New chelates will be assessed with a variety of MDS Nordion radioisotopes including: yttrium-90, lutetium-177, indium-111 and copper-64.

“Macrocylics has an innovative scientific team and is a leading provider of chelates and linkers to the research community,” said **Steve West, President of MDS Nordion**. “Our collaboration with Macrocylics strengthens MDS Nordion’s commitment to expand our discovery and development services including radiolabelling and molecular imaging applications for pharmaceutical drug development, and complement our leadership position in the co-development and commercial manufacturing of novel radiopharmaceuticals.”

Molecular imaging is the application of nuclear medicine for the non-invasive investigation of cellular activity and is increasingly being used in the drug development process. Targeted therapeutic pharmaceuticals treat disease by directing the treatment to specific types of cells while seeking to spare healthy tissue and reduce side effects to the patient.

“We are very pleased to be collaborating with MDS Nordion, an international leader in radioisotope supply and radiopharmaceutical services for the nuclear medicine industry,” said **Dean Sherry, President, Macrocylics**, and

Professor of Radiology, University of Texas – Southwestern Medical Center, Dallas and Professor of Chemistry, University of Texas, Dallas.

Through this collaboration, researchers will have access to innovative bifunctional chelates and linkers to help them pursue new avenues of investigation for the diagnosis and treatment of disease.

About MDS Nordion

MDS Nordion (www.mds.nordion.com) is a world leader in radioisotopes, radiation and related technologies. MDS Nordion is part of MDS Inc. MDS Inc. has more than 9,000 highly skilled people in 25 countries. We provide a diverse range of superior products and services to increase our customers' speed, precision and productivity in the drug development and disease diagnosis processes. We are a global, values-driven health and life sciences company, recognized for our reliability and collaborative relationships as we help create better outcomes in the treatment of disease. Find out more at www.mdsintl.com or by calling 1-888-MDS-7222, 24 hours a day.

About Macrocylics

Macrocylics is a privately held, Dallas, Texas based company that conducts research and development, custom cGMP synthesis and makes accessible to the research community a variety of high purity ligands for nuclear medicine and magnetic resonance imaging applications. Find out more about Macrocylics by visiting the website or by calling 1-972-250-2248.

-30-

For more information contact:

Olivia Nixon
Media Relations, MDS Nordion
Tel: (613) 592-3400 ext. 2832
E-mail: onixon@mds.nordion.com

Meagan Skarbek
General Manager, Macrocylics
Tel: 972-250-2248
E-mail: Meagan@macrocylics.com