



Science advancing health

MDS Inc. Annual and Special Meeting of Shareholders

March 11, 2010



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Safe Harbour and Use of Non-GAAP Measures



Caution Concerning Forward-Looking Statements

This document contains forward-looking statements. Some forward-looking statements may be identified by words like “believes”, “expects”, “anticipates”, “plans”, “intends”, “indicates”, “estimates” “projects” or similar expressions. The statements are not a guarantee of future performance and are inherently subject to risks and uncertainties. MDS’s actual results could differ materially from those expressed in the forward-looking statements due to these risks and a number of other factors, including, but not limited to, management of operational risks, obligations retained and projected adjustments related to the sale of MDS Analytical Technologies and MDS Pharma Services’ Early Stage operations and their success as ongoing businesses, or at all; the fact that our operations will be substantially reduced as a result of the sale of businesses; liabilities that we will retain from the businesses sold; successful implementation of structural changes, including restructuring plans; our ability to complete other strategic transactions and to execute them successfully; technical or manufacturing or distribution issues, the competitive environment for MDS’s products and services, the degree of market penetration of its products and services, the ability to secure a reliable supply of raw materials, the impact of our clients’ exercising rights to delay or cancel certain contracts, the strength of the global economy, the stability of global equity markets, the availability and cost of financing, the impact of the movement of the U.S. dollar relative to other currencies, particularly the Canadian dollar and the euro, uncertainties associated with critical accounting assumptions and estimates, and other factors set forth in reports and other documents filed by MDS with Canadian and U.S. securities regulatory authorities from time to time, including MDS’s quarterly and annual MD&A, Annual Information Form, and Annual Report on Form 40-F for the fiscal year ended October 31, 2009 filed with the U.S. Securities & Exchange Commission. SOURCE: MDS

The use of non-GAAP measures including terms such as net revenues, adjusted EBITDA, and adjusted EPS are used to explain the operating performance of the Company. These terms are not defined by GAAP and MDS’s use may vary from that of other companies. MDS uses certain non-GAAP measures so that investors and analysts have a better understanding of the significant events and transactions that have had an impact on results or may have an impact on MDS’s financial outlook. MDS provides a description of these non-GAAP measures and a reconciliation of these non-GAAP measures for 2009 actual results to GAAP financial results in the MD&A of its 2009 annual report.



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William Anderson
Chair, MDS Board of Directors

March 11, 2010



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Steve West
CEO, MDS Inc.

March 11, 2010



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MDS Nordion is a world leader in providing products and services for medical imaging and radiotherapeutics, and sterilization technologies.

Customers count on MDS Nordion for:

Scientific and technological leadership in the global supply of isotopes for molecular imaging, targeted cancer treatments, and sterilization of medical products

Highly specialized expertise in the operation and logistics of radioisotopes

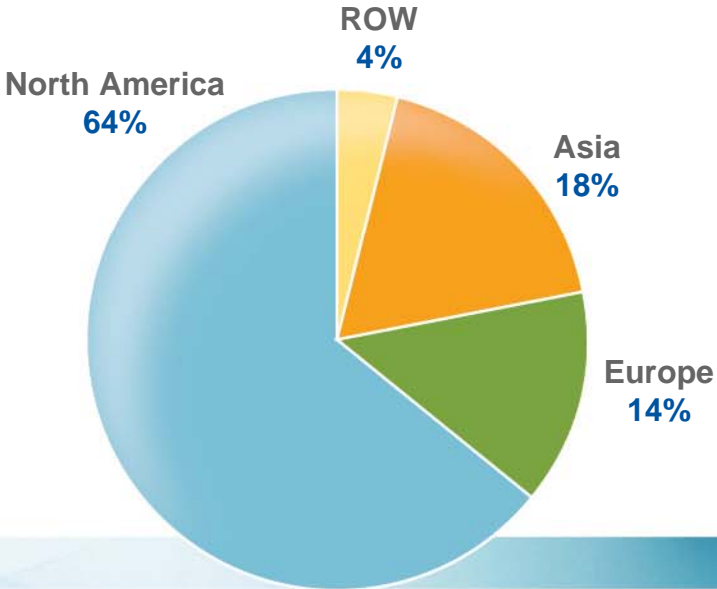
Unique scientific and commercial collaborations to bring novel molecular imaging and radiotherapeutic agents to market

A Global Company



650 employees
and
15 partnerships
supply over
650 customers
with more than
50 products
across
65 countries

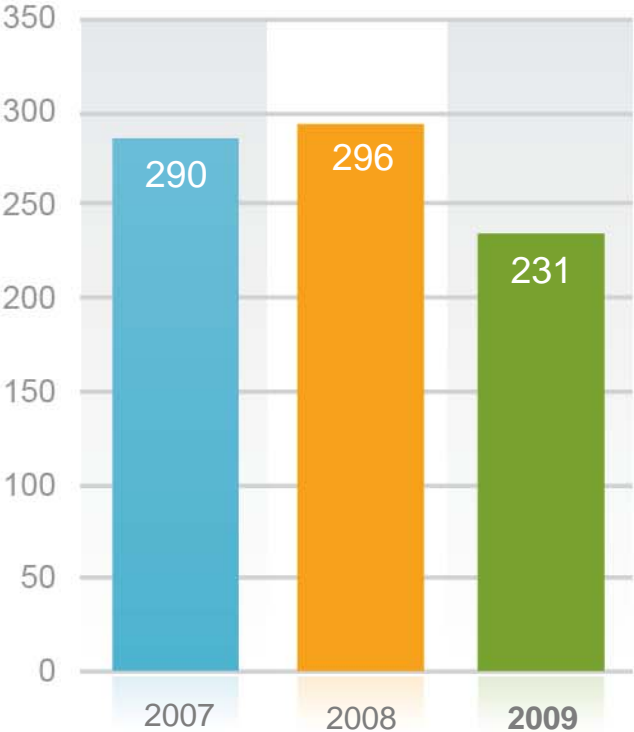
2009 Revenues by Geography



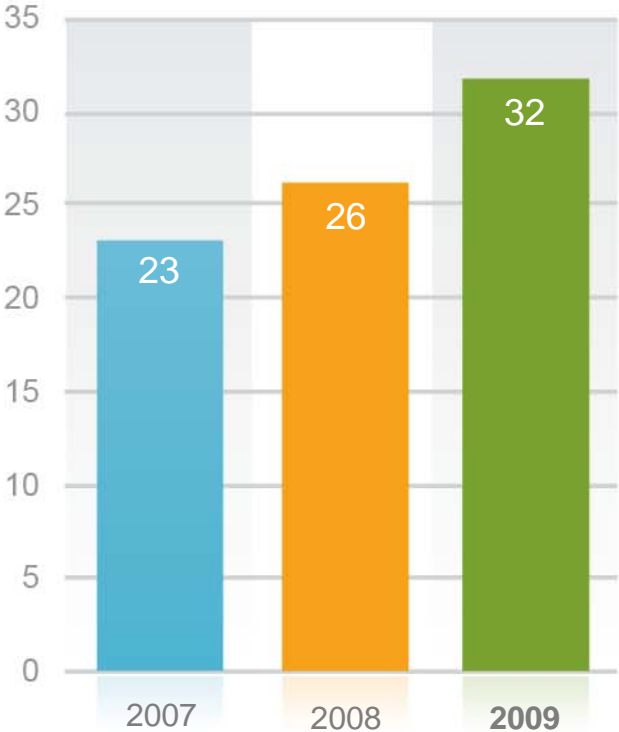
2009 Financial Performance



Net Revenue (US\$ millions)



Adjusted EBITDA (US\$ millions)



2009 Achievements



April
MDS Nordion and TRIUMF collaborate to study development of photo fission-produced Molybdenum-99

June
MDS Nordion begins to manufacture CardioGen-82 for Bracco Diagnostics, Inc.

March
MDS Nordion launches improved TheraSphere® administration system for physicians

May
MDS Nordion, TRIUMF, and the University of British Columbia announce partnership to develop new diagnostic imaging agents

October
MDS Nordion selected one of Canada's top 100 employers



- **Resume short-term medical isotope supply**
 - NRU shutdown in May, 2009
 - AECL projects NRU return-to-service during the second half of May, 2010
- **Secure long-term medical isotope supply**
 - Maple Project – arbitration process
 - Expert Review Panel submission
 - Collaborations – “partner of choice”
 - TRIUMF – in progress
 - Karpov – assessment complete



Business

Maximize Value of Core Business

Secure long-term reliable supply of medical isotopes

Accelerate TheraSphere market expansion

Build on strong market position in sterilization



Excellence

Drive Commercial Excellence

Build upon our world-class quality and regulatory processes

Leverage our extensive distribution infrastructure
Maximize our best-in-class manufacturing



Innovation

Disciplined Investment in Innovation

Expand our network of R&D partnerships and collaborations

Build a diversified pipeline of innovation opportunities

Well Positioned in Two Global Markets



Medical Imaging and Radiotherapeutics

Key Priorities:

- Secure long-term medical isotope supply
- Expand radiopharmaceutical product development
- Drive organic growth through innovation and partnerships
- Expand marketing, research and development capabilities

Market Leadership Positions

Medical isotopes
Manufacturer in Radioimmunotherapy
Y-90 radiotherapy

Primary Segments:

Cardiology
Oncology
Neurology



Sterilization Technologies

Key Priorities:

- Optimize value of cobalt
- Expand existing product offerings into new global markets
- Build on strong market position

Market Leadership Position

Gamma sterilization technology

Primary Segments:

Medical Surgical Supplies
Medical Devices
Consumer Products

Scale and Leadership

- Global leadership in our core markets
- Proven management team
- Solid financial returns

Competitive Approach

- Leveraging scale and scope
- Innovation – partner of choice
- Diversified product pipeline



Operational Excellence

- Regulatory expertise
- Distribution and logistics excellence
- Proven track record for Radiopharm development and manufacturing

Nordion Culture

- Public company
- Domain knowledge
- Employer of choice



- Completed the repositioning of MDS
- Building MDS Nordion's core strengths and leadership positions in Medical Imaging and Radiotherapeutics, and Sterilization Technologies – to enable it to deliver positive financial returns as a stand-alone company
- Leveraging our core competencies as a platform for growth through disciplined investment in innovation

A Year of Transition



Value Preservation

- Global leadership in core markets
- Strong balance sheet and cash flow generation
- Track record of successful execution



Value Creation

- Continuous profitable growth
- Diversified product portfolio
- Disciplined growth through investment in innovation



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Q&A



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