



MDS First Quarter F2009  
Teleconference

**MDS Inc.**  
**March 12, 2009**



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**Kim Lee**  
Senior Director, Investor Relations  
**March 12, 2009**



## Safe Harbour Statement & Use of Non-GAAP Measures



This document contains forward-looking statements. Some forward-looking statements may be identified by words like "expects", "anticipates", "plans", "intends", "indicates" 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, successful implementation of structural changes, including restructuring plans and acquisitions, 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 cancel certain contracts, the strength of global economies, in particular the economies of Canada, United States, and European Union and the other countries in which we conduct business, the stability of global equity markets; the cost and availability of financing, the impact of the movement of the US 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 US 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, 2008 filed with the Securities & Exchange Commission.

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 2008 actual results to GAAP financial results in the MD&A of its 2008 annual report.



### MDS First Quarter F2009 Teleconference

**Stephen P. DeFalco**  
President & CEO  
March 12, 2009





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**Doug Prince**  
Chief Financial Officer  
March 12, 2009

Q1 F2009 MDS Inc.

(US\$ millions)	2009	2008	% Change
<b>Total revenues</b>	\$ 275	\$ 322	
Reimbursement revenues	(18)	(26)	
<b>Net revenues</b>	\$ 257	\$ 296	(13%)
<b>Income (loss) from continuing operations</b>	2	19	(89%)
Income taxes (recovery) expense	(1)	(6)	
Net interest expense (income)	2	(3)	
Change in fair value of interest rate swaps	-	(2)	
Depreciation and amortization	22	27	
<b>EBITDA</b>	25	35	(29%)
Restructuring charges, net	6	-	
Write-down of investments/Valuation provisio	1	-	
Loss on sale of business / investments	-	2	
Acquisition integration	-	3	
<b>Adjusted EBITDA</b>	\$ 32	\$ 40	(20%)
<b>Adjusted EBITDA margin</b>	12%	14%	



## Q1 F2009 MDS Inc.

	Net income		Earnings per share	
	2009 (US\$ million)	2008	2009 (US\$/share)	2008
<b>From continuing operations - as reported</b>	\$ 2	\$ 19	\$ 0.02	\$ 0.16
Adjusted for - after tax				
Restructuring charges, net	4	-	0.03	-
Valuation provisions	1	-	0.01	-
Change in fair value of interest rate swaps	-	(2)	-	(0.02)
Acquisition integration	-	2	-	0.02
Tax rate changes	-	(11)	-	(0.09)
<b>Adjusted</b>	<b>\$ 7</b>	<b>\$ 8</b>	<b>\$ 0.06</b>	<b>\$ 0.07</b>



## Q1 F2009 – MDS Pharma Services

(US\$ millions)	2009	2008	% Change
Early-Stage	58	63	(8%)
Late-Stage	48	57	(16%)
<b>Net revenues</b>	<b>\$ 106</b>	<b>\$ 120</b>	<b>(12%)</b>
Reimbursement revenues	18	26	
<b>Total revenues</b>	<b>\$ 124</b>	<b>\$ 146</b>	
<b>Adjusted EBITDA</b>	<b>\$ 8</b>	<b>\$ 6</b>	<b>33%</b>
<b>Margin</b>	<b>8%</b>	<b>5%</b>	



## Q1 F2009 – MDS Nordion

(US\$ millions)

	2009	2008	% Change
<b>Revenues</b>	\$ 66	\$ 60	10%
<b>Adjusted EBITDA</b>	\$ 18	\$ 11	64%
<b>Margins</b>	27%	18%	



## Q1 F2009 – MDS Analytical Technologies

(US\$ millions)

	2009	2008	% Change
<b>Revenues</b>	\$ 85	\$ 116	(27%)
<b>Adjusted EBITDA</b>	\$ 13	\$ 27	(52%)
<b>Margins</b>	15%	23%	





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