



A Stronger MDS

**Q3 F2007 Conference Call
MDS Inc.
September 6, 2007**



Sharon Mathers

**Senior Vice-President,
Investor Relations & External Communications
MDS Inc.**



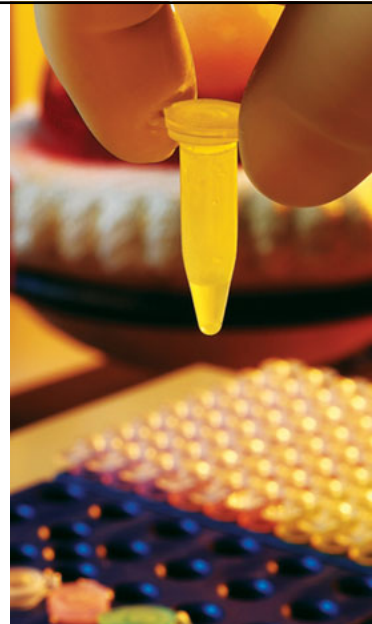
Safe Harbor Statement



This presentation 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 currently anticipated due to these risks and a number of other factors, including, but not limited to, successful integration of structural changes, including restructuring plans, acquisitions, technical or manufacturing or distribution issues, the competitive environment for MDS's products, the degree of market penetration of its products, and other factors set forth in reports and other documents filed by MDS with Canadian and US securities regulatory authorities from time to time.

Stephen DeFalco

**President & Chief Executive Officer
MDS Inc.**



New in Q3



- **AquaMax® 2000 and AquaMax® 4000**, to add speed and flexibility to the microplate washing step for bioanalytical assays.
- **New food safety test method**, the first commercially available method to simultaneously identify key food contaminants – melamine and cyanuric acid.
- **Collaboration with University of Ottawa Heart Institute** to support cardiology research particularly in the areas of early disease detection and treatment assessment.
- **European Development and Regulatory Services expansion** – Added greater expertise to team to better support our DRS customers in Europe.

Doug Prince

Executive Vice-President & Chief Financial Officer
MDS Inc.



Q3 F2007 Performance



(US\$ millions)	2007	2006	% Change	
			Reported	Organic
Net Revenues	\$ 321	\$ 258	24%	3%
Operating Income	\$ 13	\$ 5		
Adjustments:				
Restructuring charges	3	2		
Valuation provision	-	-		
Mark-to-market on interest rate swaps	1	-		
MAPLE settlement	-	-		
Loss on sale of business	-	(2)		
FDA Provision	-	-		
Acquisition integration	11	-		
Adjusted operating income	28	5		
Depreciation and amortization	28	16		
Adjusted EBITDA	\$ 56	\$ 21	167%	190%
Adjusted EBITDA margin	17%	8%		



Q3 F2007 Performance



(US\$/Common Share)	2007	2006
Basic and diluted EPS from Continuing Operations - as reported	\$ 0.07	\$ 0.02
Adjustments:		
Restructuring charges	0.01	-
Valuation provision	-	-
Mark-to-market on interest rate swaps	0.01	-
MAPLE settlement	-	-
Loss (gain) on sale of investment/business	-	(0.01)
FDA provision	-	-
Acquisition integration	0.05	-
Tax rate changes	-	-
Adjusted EPS	\$ 0.14	\$ 0.01



Q3 F2007 – MDS Pharma Services



(US\$ millions)	2007 \$	2006 \$	% Change	
			Reported	Organic
Early-Stage	62	63	-2%	
Late-Stage	56	50	12%	
Net Revenues	\$ 118	\$ 113	4%	3%
Operating income (loss)	\$ (5)	\$ (16)		
Adjustments				
Restructuring charges	1	1		
Loss (gain) on sale of a business	-	(2)		
FDA Provision	-	-		
Depreciation and amortization	8	7		
Adjusted EBITDA	\$ 4	\$ (10)	nm	nm
Capital Expenditures	\$ 21	\$ 12		



Q3 F2007 – MDS Nordion



(US\$ millions)	2007 \$	2006 \$	% Change	
			Reported	Organic*
Net Revenues	\$ 76	\$ 79	-4%	-4%
Operating income	\$ 19	\$ 21		
Adjustments				
MAPLE settlement	\$ -	\$ -		
Gain on sale of a business	\$ -	\$ -		
Depreciation and amortization	4	4		
Adjusted EBITDA	\$ 23	\$ 25	-8%	-
Capital Expenditures	\$ 3	\$ -		



Q3 F2007 – MDS Analytical Technologies



(US\$ millions)	2007 \$	2006 \$	% Change	
			Reported	Organic
Net Revenues	\$ 127	\$ 66	92%	11%
Operating income	\$ 10	\$ 10		
Adjustments				
Acquisition integration	11	-		
Depreciation and amortization	15	5		
Adjusted EBITDA	\$ 36	\$ 15	140%	73%
Capital Expenditures	\$ 3	\$ 2		



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