



A Stronger MDS

**Q4 F2007 Conference Call
MDS Inc.
December 13, 2007**



Sharon Mathers

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



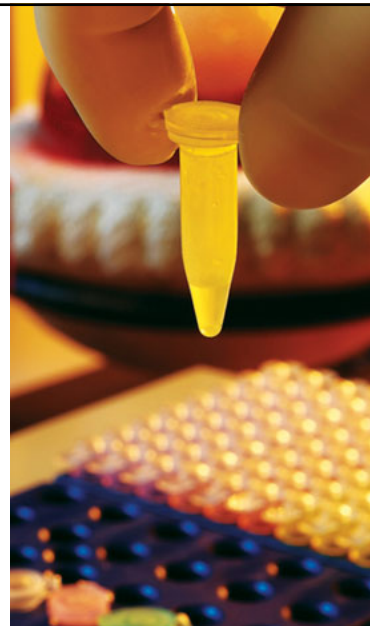
Safe Harbor Statement



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.**



Announced in Q4



- **Cliquid™ Drug Screen and Quant Software** - new automated toxicology testing application designed to better identify drugs of abuse.
- **MetaMorph® ICS Confocal Microscope** - a significant advance in high-speed imaging technologies to support live cell and functional imaging.
- **Expansion of Central Lab facilities; Beijing, China** - a five-fold increase in testing capacity, four times the space and a wider range of specialized clinical trial testing services.
- **Cobalt-60 Contract Expansion with Rosenergoatom** – To help secure our #1 position in the growing sterilization market.

Doug
Prince

Executive Vice-President & Chief Financial Officer
MDS Inc.



Q4 F2007 Performance



(US\$ millions)	2007	2006	% Change	
			Reported	Organic
Net Revenues	\$ 318	\$ 260	22%	(1%)
Reimbursement revenues	20	25		
Total revenues	\$ 338	\$ 285		
Operating Income	25	18	39%	
Adjustments:				
Restructuring charges, net	(4)	(11)		
Valuation provision	2	-		
Mark-to-market on interest rate swaps	(2)	(2)		
MAPLE settlement	(3)	-		
Gain on sale of business	(5)	-		
Acquisition integration	5	-		
Adjusted operating income	18	5	260%	
Depreciation and amortization	26	18		
Adjusted EBITDA	\$ 44	\$ 23	91%	177%
Adjusted EBITDA margin	14%	9%		



Q4 F2007 Performance



(US\$/Common Share)	2007	2006
Basic EPS from Continuing Operations - as reported	\$ 0.14	\$ 0.10
Adjustments:		
Restructuring charges	(0.02)	(0.05)
Valuation provision, net	0.01	-
Mark-to-market on interest rate swaps	(0.01)	-
MAPLE settlement	(0.01)	-
Gain on sale of investment/business	(0.04)	-
Acquisition integration	0.02	-
Tax rate changes	-	(0.03)
Adjusted EPS	\$ 0.09	\$ 0.02



Q4 F2007 – MDS Pharma Services



(US\$ millions)	2007	2006	% Change	
	\$	\$	Reported	Organic
Early-Stage	66	70	-6%	
Late-Stage	57	52	10%	
Net Revenues	123	122	1%	-
Reimbursement revenues	\$ 20	\$ 25		
Total Revenues	143	147		
Operating income (loss)	-	(15)		
Adjustments				
Restructuring charges	(4)	(1)		
Depreciation and amortization	9	9		
Adjusted EBITDA	\$ 5	\$ (7)	nm	nm
Adjusted EBITDA margin	4%			
Capital Expenditures	\$ 20	\$ 9		

nm = not meaningful



Q4 F2007 – MDS Nordion



(US\$ millions)	2007	2006	% Change	
	\$	\$	Reported	Organic
Net Revenues	\$ 76	\$ 76	-	-4%
Operating income	21	19	11%	
Adjustments				
MAPLE settlement	(3)	-		
Restructuring charges	-	(2)		
Depreciation and amortization	3	4		
Adjusted EBITDA	\$ 21	\$ 21	-	10%
Adjusted EBITDA margin	28%	28%		
Capital Expenditures	\$ 3	\$ -		



Q4 F2007 – MDS Analytical Technologies



(US\$ millions)	2007 \$	2006 \$	% Change	
			Reported	Organic
Net Revenues	\$ 119	\$ 62	92%	2%
Operating income	\$ 13	\$ 10	30%	
Adjustments				
Acquisition integration	5	-		
Depreciation and amortization	14	5		
Adjusted EBITDA	\$ 32	\$ 15	113%	74%
Adjusted EBITDA margin	27%	24%		
Capital Expenditures	\$ 2	\$ 2		



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