



CONTACT:

MEDIA: Tamra Benjamin

(613) 592-3400, ext. 1022 tamra.benjamin@mdsinc.com

INVESTORS: Kim Lee

(416) 213-4721 kim.lee@mdsinc.com

MDS Nordion Urges Government of Canada to Complete MAPLE Project to Address Current Medical Isotope Supply Shortage

OTTAWA, CANADA, June 1, 2009 – MDS Nordion, a leading provider of medical isotopes and radiopharmaceuticals, today urged the Government of Canada and Atomic Energy of Canada Limited (AECL) to consult with international experts and obtain their assistance toward activating the MAPLE project to address the current shortage of medical isotopes created by the shutdown of the National Research Universal (NRU) reactor at Chalk River, Ontario – and to avoid similar occurrences in the future.

Given that there are no domestic or international sources of supply that can fully mitigate this shortage, which has caused and will continue to cause unavoidable and serious disruptions to patient care, MDS Nordion has requested that the government direct AECL to honour its long-standing commitment to replace the NRU by bringing the MAPLE facilities into service. These facilities would enable Canada to maintain its leadership position in the innovative and increasingly important field of nuclear medicine.

“The current NRU shutdown – and the shutdown of November 2007 – illustrates the fragility and unpredictability of the global medical-isotope supply system, and highlights the requirement for new research reactor capacity to deliver a reliable long-term supply of medical isotopes,” said Steve West, President of MDS Nordion. “The solution to the global medical isotope crisis is in Canada. The infrastructure is in place, and with the assistance of an international consortium of nuclear experts, the MAPLE facilities could be producing medical isotopes to the benefit of patients worldwide.”

At more than 50 years of age, the NRU, the largest producer of medical isotopes in the world, produces 30%-40% of the world’s medical isotopes, and approximately 50% of those used in North America. These isotopes are then processed by MDS Nordion at its state-of-the-art, 300,000-square-foot facility in Ottawa. Isotopes produced in Canada are used in approximately 50,000 procedures each day worldwide, including about 5,000 in Canada.

On May 25, 2009, in an interview with Canwest News Service on the status of the supply of medical isotopes, Dr. Christopher O'Brien, President of the Ontario Association of Nuclear Medicine and Director of Nuclear Medicine at Brantford General Hospital, said "if Chalk River does not come back up on line, does not restart, North America will be faced with a significant and chronic shortage of medical isotopes. There just aren't enough reactors out there that can take the place of Chalk River."

MAPLE – The Best Solution for Medical Isotope Supply

MDS Nordion long recognized the serious nature of the aging global reactor infrastructure, and the need to provide a long-term reliable supply of medical isotopes. To this end, in 1996, MDS contracted with AECL to construct and deliver two isotope production reactors and a processing facility dedicated solely to the production of medical isotopes to replace the NRU reactor, a collaboration that became known as the MAPLE project. The Project included two reactors – MAPLE 1 and MAPLE 2 – to provide a steady and redundant supply of isotopes when one of the reactors would go offline for routine maintenance. Originally slated to be fully operational in 2000, AECL agreed to build the MAPLE project for \$145 million – to be fully paid by MDS Nordion.

On May 16, 2008, the Government of Canada and AECL unilaterally announced that the MAPLE project would be discontinued without disclosing a long-term plan for the supply of medical isotopes beyond an intent to extend the license of the NRU to 2016. On July 9, 2008, MDS, which by this time had invested approximately \$350 million in the MAPLE project, commenced arbitration against AECL and filed a \$1.6 billion court claim against AECL and the Government of Canada to compel them to return to work, and fulfil their contractual obligation to bring the MAPLE facilities into service.

On January 29, 2009, Dr. Kevin Crowley, Study Director of the National Academy of Science, stated in his presentation to the Nuclear Energy Association that "AECL's May 2008 decision to discontinue work on the MAPLE reactors is a blow to worldwide supply reliability."

MDS's primary objective through the legal proceedings is to have AECL honour its long-standing commitment to replace the NRU by bringing the MAPLE facilities into service, and provide a 40-year supply of medical isotopes.

Expert Opinion on MAPLE

In its January 2009 report, *Medical Isotope Production without Highly Enriched Uranium*, The National Academy of Science Committee states that "AECL could probably contract with another organization to fix the MAPLE reactors...if it does not have the necessary in-house technical expertise or resources to do the work itself."

In a Viewpoint article that appeared in the October 2, 2008 edition of *Nuclear Engineering International*, Dr. Harold Smith, ex-Manager, MAPLE Nuclear Commissioning, HIZ and Associates Inc., stated that the “MAPLE reactor is probably the safest reactor design in existence since it actually has three shutdown systems... The MAPLE reactor operated like a dream, and was fully capable of meeting all objectives.”

Other Longer-Term Supply Alternatives

In addition to MAPLE, MDS Nordion will continue to examine other supply alternatives. On April 28, 2009, MDS Nordion announced an agreement with TRIUMF, Canada’s national laboratory for particle and nuclear physics, to study the feasibility of producing a viable and reliable supply of photo fission-based molybdenum-99.

Companies and organizations from around the world, including MDS Nordion, are working individually and collectively to mitigate the impact to patients that the immediate global shortage of medical isotopes has created.

More Information

Additional background about MDS Nordion, the MAPLE project and medical isotope supply can be found on MDS Inc.’s Website at http://www.mdsinc.com/for_media/electronic_media_kit.asp#nordion

About MDS Nordion

MDS Nordion, a business unit of MDS Inc., is a global leader in providing medical isotopes for molecular and diagnostic imaging, radiotherapeutics and sterilization technologies for medical products that benefit the lives of millions of people in more than 50 countries around the world. MDS Nordion products and services are used on a daily basis by pharmaceutical and biotechnology companies, medical-device manufacturers, hospitals, clinics and research laboratories. Find out more at www.mdsnordion.com

About MDS

MDS Inc. (TSX: MDS; NYSE: MDZ) is a global life sciences company that provides market-leading products and services that our customers need for the development of drugs, and the diagnosis and treatment of disease. We are a leading global provider of pharmaceutical contract research, medical isotopes for molecular imaging, radiotherapeutics, and analytical instruments. MDS has more than 5,000 highly skilled people in 29 countries. Find out more at www.mdsinc.com or by calling 1-888-MDS-7222, 24 hours a day.

Forward-Looking Statements

This document contains forward-looking statements. Some forward-looking statements may be identified by words like “expects”, “anticipates”, “plans”, “intends”, “indicates”, “targeted” or similar expressions. The statements are not a guarantee of future impact or performance and are inherently subject to risks and

uncertainties. The actual impact to the Company of the NRU shutdown could differ materially from that currently anticipated due to a number of factors, including, the actual timing of a return to full production and other risk factors identified in other documents filed by the Company with Canadian and U.S. securities regulatory authorities from time to time.

SOURCE: MDS Nordion