

## **MATERIAL CHANGE REPORT**

ITEM 1: REPORTING ISSUER

MDS Inc.  
100 International Blvd.  
Toronto, Ontario  
M9W 6J6

ITEM 2: DATE OF MATERIAL CHANGE

September 21, 2000

ITEM 3: PRESS RELEASE

MDS Inc. ("MDS") issued a press release with respect to the material change on September 21, 2000. A copy of the press release is attached.

ITEM 4: SUMMARY OF MATERIAL CHANGE

MDS announced that it had completed its previously announced equity offering. Under the offering, 3.25 million common shares (the "Shares") of MDS were issued from treasury at a price of \$61.00 per Share, for gross proceeds of \$198,250,000.

ITEM 5: FULL DESCRIPTION OF MATERIAL CHANGE

MDS announced that it had completed its previously announced equity offering. Under the offering, 3.25 million Shares of MDS were issued from treasury at a price of \$61.00 per Share, for gross proceeds of \$198,250,000.

Net proceeds from the offering will be used to retire debt incurred in the acquisition of Phoenix International Life Sciences Inc. earlier this year and to fund new initiatives.

ITEM 6: RELIANCE ON CONFIDENTIALITY SECTION OF THE ACT

This filing is not being made on a confidential basis.

ITEM 7: OMITTED INFORMATION

None

ITEM 8: SENIOR OFFICER – FOR FURTHER INFORMATION CONTACT

Peter E. Brent  
Senior Vice-President &  
General Counsel and Corporate Secretary

ITEM 9: STATEMENT OF SENIOR OFFICER

The foregoing accurately discloses the material change referred to herein.

DATED at Toronto this 29<sup>th</sup> day of September, 2000

**MDS INC.**

per: “Peter E. Brent”  
**Name: Peter E. Brent**  
**Title: Senior Vice-President &  
General Counsel and  
Corporate Secretary**

IT IS AN OFFENCE FOR A PERSON TO MAKE A STATEMENT IN A DOCUMENT REQUIRED TO BE FILED OR FURNISHED UNDER THE ACT OR THIS REGULATION THAT AT THE TIME AND IN THE LIGHT OF THE CIRCUMSTANCES UNDER WHICH IT IS MADE, IS A MISREPRESENTATION.

## **MDS Inc. Closes \$198 Million Equity Offering**

**Toronto, Canada, September 21, 2000...** MDS Inc. (TSE: MDS; NYSE: MDZ) today announced that it has completed its previously announced equity financing agreement. Under the agreement, 3.25 million Common Shares were issued from treasury at a price of \$61.00 per share, for gross proceeds of \$198,250,000.

Net proceeds from the offering will be used to retire debt incurred in the acquisition of Phoenix International Life Sciences earlier this year and to fund new initiatives.

The shares offered hereby have not been registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States unless an exemption from registration is available. This press release does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any state in which such offer, solicitation or sale would be unlawful.

MDS Inc. (TSE: MDS; NYSE: MDZ) is an international health and life sciences company. In many of its products and services, it is amongst the largest and most respected companies in the world. MDS is focused on fighting disease. It does this by providing: laboratory testing, imaging agents for nuclear medicine testing, sterilization systems for medical and consumer products, research services to speed discovery and development of new drugs, therapy systems for planning and delivery of cancer treatment, analytical instruments to assist in the development of new drugs, and medical / surgical supplies. MDS employs more than 11,000 highly skilled people at its global operations on five continents. Detailed information about the company is available at the MDS Web site at [www.mdsintl.com](http://www.mdsintl.com) or by calling 1-888-MDS-7222, 24 hours a day.

This document contains forward-looking statements that are inherently subject to risks and uncertainties. The Company's actual results could differ materially from those currently anticipated due to a number of factors, including, but not limited to, technical or manufacturing or distribution issues, the competitive environment for the Company's products, the degree of market penetration of the Company's products, and other factors set forth in reports and other documents filed by the Company with Canadian securities regulatory authorities from time to time.

For Further Information Contact:

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