



FOR IMMEDIATE RELEASE

MDS Pharma Services and Qualyst Announce Alliance

Qualyst's B-CLEAR™ now available from MDS Drug Development Programs Group in North America.

MONTREAL, CANADA and RESEARCH TRIANGLE PARK, N.C., U.S.A. (February 3, 2005)

MDS Pharma Services, a leading provider of innovative drug discovery and development solutions, and Qualyst, Inc., a leader in the development and commercialization of novel and proprietary absorption, distribution, metabolism and excretion (ADME) products, today announced that the companies have formed an alliance to make available Qualyst's proprietary B-CLEAR™ system to MDS Pharma Services' customers in North America. B-CLEAR™ is an in vitro sandwich-cultured hepatocyte system for the assessment of hepatobiliary disposition, biliary clearance and drug transport.

"Analysis of drug transport is an important component of ADME research in drug discovery and development," said Fred Pritchard, Ph.D., vice president, Drug Development Programs for MDS Pharma Services. "Qualyst's B-CLEAR™ system provides a novel approach to generate data on hepatic uptake and biliary excretion, which compliments our existing strengths in ADME services and will add value to our clients' research and early drug development programs."

"B-CLEAR™ is a patented first-in-class technology, and Qualyst's clients include multiple top-tier pharmaceutical and biotechnology companies," said Scott Neuville, Qualyst president and CEO. "Our alliance with MDS Pharma Services will enable researchers across the biopharmaceutical industry to gain value from B-CLEAR™ profiling while accessing the portfolio of complimentary services that MDS Pharma Services provides."

About MDS Pharma Services:

MDS Pharma Services offers a full spectrum of resources to meet the drug discovery and development needs of the pharmaceutical and biotechnology industries. With numerous facilities strategically located around the world, the company applies advanced scientific and technological expertise to each stage of the drug discovery and development process - early stage: lead optimization, pre-IND research and development, pharmaceutical and biopharmaceutical development, early clinical research (bioequivalence, phases I-IIa) and bioanalysis; and late stage: global clinical development (phases IIb-IV) and central lab. For more information, visit MDS Pharma Services' Web site at www.mdsp.com.

MDS Pharma Services is an integral part of MDS Inc. (TSX: MDS; NYSE: MDZ). MDS Inc. has more than 9,000 highly skilled people in 25 countries providing a diverse range of superior products and services to increase our customers' speed, precision and productivity in the drug development and disease diagnosis processes. We are a global health and life sciences company, recognized for our reliability and collaborative relationships. Please refer to our website at www.mdsintl.com to find out more about how we help create better outcomes in the treatment of disease.

About Qualyst, Inc.

Qualyst commercializes novel and proprietary ADMET products for drug discovery and development. Qualyst's products allow pharmaceutical and biotechnology researchers to make faster, better decisions regarding drug candidate compounds, saving valuable time and research dollars in the process. Qualyst, Inc. was founded on discoveries from breakthrough research at the University of North Carolina at Chapel Hill in 2001. For additional information, please refer to the company's web site at www.Qualyst.com or call 919-313-6500.

CONTACT:

Ian Mehr
VP, Business Development
Qualyst, Inc.
info[AT]qualyst[DOT]com
919-313-6507
www.Qualyst.com