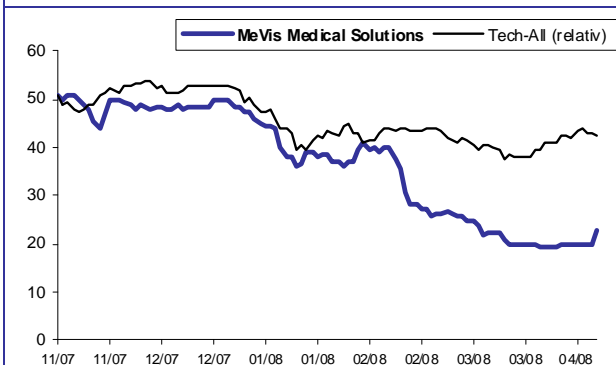


Buy Risk: **Price target: EUR 52.00** **First breast – now lung**
 (old: Buy) high (old: EUR 50.00)

Bloomberg: M3V GY Price: 22.90
 Reuters: M3VG.DE Tech-AS: 930.94
 ISIN: DE000A0LBFE4
 Internet: www.mevis.de
 Segment: Prime Standard
 Sector: Medical technology



Share data: Bloomberg 10.04.2008 / Closing price

High / Low 52 W: EUR 53.89 / EUR 18.99
 Market cap: EUR 41.68 m
 No. of shares: 1.82 m

Shareholders: Dr. Carl J.G. Evertsz 19.45%
 Prof. Dr. Heinz-Otto Peitgen 19.45%
 Dr. Hartmut Jürgens 16.53%
 Pathfinder VV GmbH 2.90%
 Own shares 2.07%
 Free float 39.60%

Calendar: Annual report 2007 25.04.2008
 Q1/08 results 27.05.2008

Analysis: SES Research

Date of publication: 11.04.2008
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On April 10, 2008, MeVis Medical Solutions AG announced to have acquired the pulmonary computed tomography business of Hologic R2. Amongst others, this includes the software product ImageChecker CT - the first lung CAD system approved by the U.S. Food & Drug Administration (FDA) for the examination of the lung (especially the early detection of lung cancer). Only products and know how (e.g. patents) were acquired here. The products will be sold in future under the new brand name of MeVis Vista CT Lung. Employees of Hologic were not taken over by MeVis, as this deal only encompasses the acquisition of the IP. The marketing will be undertaken by the US subsidiary of MeVis which has already started in advance to integrate these products in their marketing and development. The acquisition has a number of strategic advantages for MeVis:

- MeVis now also possesses the leading technology in the field of imaging for a CT of the lung.
- This is also expected to facilitate the introduction of the lung products already planned and result in synergies between marketing and product development.
- The acquired products are already sold to OEM partners which MeVis did not have before. This results in cross-selling potential. Furthermore, the products might also be sold to established OEM partners of MeVis.
- MeVis had an advantage over competitors within the scope of this acquisition due to the close relationship with Hologic.

(Continued on page 2)

Fiscal year ending	12/05	12/06	12/07e	12/08e	12/09e
In EUR m					
Sales	4.0	8.3	7.3	10.1	15.6
Sales (old)			7.3	9.5	14.5
Delta			0.0%	6.3%	7.6%
EBITDA	1.7	5.0	0.5	4.1	8.5
EBITDA-margin	42.0%	59.9%	7.3%	40.0%	54.3%
EBITDA (old)			0.5	3.8	7.7
Delta			0.0%	7.6%	9.4%
EBIT	1.5	4.7	0.0	2.7	5.6
EBIT-margin	37.2%	56.8%	0.3%	26.4%	35.7%
EBIT (old)			0.0	2.4	4.9
Delta			0.0%	11.4%	14.2%
Net Income	-0.8	2.9	0.1	3.2	4.8
Margin	-21.4%	35.2%	1.2%	31.2%	30.6%
Net Income (old)			0.1	3.0	4.3
Delta			0.0%	6.7%	10.5%
EpS	-	-	0.05	1.74	2.62
EpS (old)			0.1	1.6	2.4
Delta			0.0%	6.7%	10.5%
DPS	-	-	0.00	0.00	0.00
Dividend Yield	-	-	0.0%	0.0%	0.0%
DPS (old)			0.0	0.0	0.0
Delta			n.a.	n.a.	n.a.
EV/Sales	-	-	2.07	1.50	0.98
EV/EBITDA	-	-	28.54	3.75	1.80
EV/EBIT	-	-	808.58	5.69	2.74
PER	-	-	458.00	13.16	8.74
ROCE	112.6%	104.1%	0.1%	8.4%	16.4%
Adj. Free Cash Flow Yield	n.m.	n.m.	2.3%	7.6%	31.4%

The impacts on the earnings development are also expected to be positive. It is realistic here to assume license revenues in the low single-digit million range.

- The acquisition price was not disclosed, but is in the medium single-digit million range (EUR) and thus is favourable in relation to the estimated license revenues.
- It can be assumed that the acquisition price will be paid over a longer period of time. Accordingly, the liquidity will also be reduced only to a minor degree in the short term.
- The acquisition is settled in USD, thus partly creating a natural hedge to MeVis' high dependency on the USD (top line so far: 83%).

As a result of the acquisition the sales and earnings expectations will be slightly adjusted (see table below). The most important aspect of this acquisition, i.e. the significantly better opportunities for the implementation of the new lung products of MeVis, will not become visible before 2009/10 though. This segment is expected to see a significant increase of sales and earnings.

The company will release the complete financial figures for 2007 on April 25, 2008 after it had presented itself on the „Med Tech Day“ in Frankfurt on April 15, 2008. In this connection it is expected that the company will also address the strategic relevance of this acquisition. The newsflow of the next few weeks thus is expected to remain positive.

The Buy rating is reiterated. The PT is slightly revised upwards in connection with this acquisition from EUR 50 to EUR 52.

Income Statement MeVis Medical Solutions					
Income Statement (in EUR m)	2005	2006	2007e	2008e	2009e
Sales	4.0	8.3	7.3	10.1	15.6
Change in inventories / Assets capitalised	0.0	0.0	0.0	2.7	3.5
Total Sales	4.0	8.3	7.3	12.8	19.1
COGS	0.2	0.4	0.5	0.1	1.2
Personnel expenses	1.4	2.3	4.1	7.2	9.7
Other operating income	0.2	0.9	1.0	0.6	2.5
Other operating expenses	0.9	1.5	3.3	2.0	2.2
EBITDA	1.7	5.0	0.5	4.1	8.5
Depreciation on fixed assets	0.1	0.2	0.5	0.1	0.3
EBITA	1.6	4.8	0.0	4.0	8.2
Amortisation of intangible assets	0.1	0.0	0.0	1.3	2.6
Impairment charges and Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0
EBIT	1.5	4.7	0.0	2.7	5.6
Interest income	0.0	0.1	0.3	1.3	1.0
Interest expense	0.4	0.3	0.2	0.1	0.1
Financial Result	-0.4	-0.3	0.1	1.2	1.0
Result from Ordinary Operations	1.1	4.5	0.1	3.9	6.5
Extraordinary Result	0.0	0.0	0.0	0.0	0.0
EBT	1.1	4.5	0.1	3.9	6.5
Taxes	0.1	1.5	0.1	0.7	1.8
Net Profit of continued operations	1.0	2.9	0.1	3.2	4.8
Net Profit of discontinued operations	0.0	0.0	0.0	0.0	0.0
Net Profit before Minorities	1.0	2.9	0.1	3.2	4.8
Minority Interests	-1.8	0.0	0.0	0.0	0.0
Net Profit	-0.8	2.9	0.1	3.2	4.8
Income Statement (in % of Sales)					
	2005	2006	2007e	2008e	2009e
Sales	100.0%	100.0%	100.0%	100.0%	100.0%
Change in inventories / Assets capitalised	0.0%	0.0%	0.0%	26.5%	22.3%
Total Sales	100.0%	100.0%	100.0%	126.5%	122.3%
COGS	4.1%	5.1%	6.5%	1.0%	8.0%
Personnel expenses	35.3%	27.9%	55.2%	71.5%	62.0%
Other operating income	4.7%	10.8%	14.0%	6.0%	16.0%
Other operating expenses	23.2%	17.9%	45.0%	19.9%	14.0%
EBITDA	42.0%	59.9%	7.3%	40.0%	54.3%
Depreciation on fixed assets	1.9%	2.7%	6.7%	0.7%	1.9%
EBITA	40.0%	57.1%	0.6%	39.4%	52.5%
Amortisation of intangible assets	2.8%	0.3%	0.4%	12.9%	16.8%
Impairment charges and Amortisation of goodwill	0.0%	0.0%	0.0%	0.0%	0.0%
EBIT	37.2%	56.8%	0.3%	26.4%	35.7%
Interest income	0.2%	0.8%	4.3%	12.5%	6.4%
Interest expense	9.9%	4.0%	2.6%	0.5%	0.3%
Financial Result	-10.0%	-3.2%	1.7%	12.0%	6.1%
Result from Ordinary Operations	27.2%	53.7%	2.0%	38.4%	41.8%
Extraordinary Result	0.0%	0.0%	0.0%	0.0%	0.0%
EBT	27.2%	53.7%	2.0%	38.4%	41.8%
Taxes	2.2%	18.5%	0.8%	7.2%	11.2%
Net Profit of continued operations	25.0%	35.2%	1.2%	31.2%	30.6%
Net Profit of discontinued operations	0.0%	0.0%	0.0%	0.0%	0.0%
Net Profit before Minorities	25.0%	35.2%	1.2%	31.2%	30.6%
Minority Interests	-46.4%	0.0%	0.0%	0.0%	0.0%
Net Profit	-21.4%	35.2%	1.2%	31.2%	30.6%

Sources: MeVis (reported data), SES Research (estimates)

Balance sheet MeVis Medical Solutions					
Balance sheet (in EUR m)	2005	2006	2007e	2008e	2009e
ASSETS					
Intangible Assets	0.3	0.4	0.5	2.0	2.9
Fixed Assets	0.1	0.3	0.1	0.3	0.3
Financial Assets	0.0	0.0	0.0	0.0	0.0
Long-Term Assets	0.4	0.7	0.6	2.2	3.2
Receivables and Other Current Assets	1.5	2.4	3.7	2.7	3.9
Cash and Cash Equivalents	2.0	5.4	28.0	28.7	29.5
Current Assets	3.7	8.4	32.4	32.0	34.1
Total Assets	4.1	9.1	33.0	34.3	37.3
LIABILITIES AND SHAREHOLDERS' EQUITY					
Common Stock	0.0	0.1	1.8	1.8	1.8
Additional Paid-In Capital	0.0	0.0	26.8	26.8	26.8
Retained Earnings	0.0	0.0	0.9	-1.1	0.1
Accumulated other Comprehensive Income	-2.1	2.6	0.1	3.2	4.8
Total Equity	-2.1	2.7	29.5	30.7	33.5
Minority Interest	0.0	0.0	0.0	0.0	0.0
Provisions	0.4	2.3	0.3	0.3	0.3
Financial Liabilities	3.2	2.6	1.6	1.6	1.6
Other Liabilities	0.7	1.5	1.5	1.6	1.9
Total Liabilities	3.9	4.1	3.1	3.3	3.5
Total Liabilities and Shareholders' Equity	4.1	9.1	33.0	34.3	37.3
Balance sheet (in % of Balance Sheet Total)					
	2005	2006	2007e	2008e	2009e
ASSETS					
Intangible Assets	7.9%	4.3%	1.5%	5.7%	7.8%
Fixed Assets	3.0%	3.2%	0.2%	0.8%	0.8%
Financial Assets	0.0%	0.0%	0.0%	0.0%	0.0%
Long-Term Assets	10.9%	7.4%	1.7%	6.6%	8.6%
Receivables and Other Current Assets	35.6%	26.3%	11.4%	8.0%	10.5%
Cash and Cash Equivalents	49.4%	59.6%	85.1%	83.6%	79.1%
Current Assets	89.1%	92.6%	98.3%	93.4%	91.4%
Total Assets	100.0%	100.0%	100.0%	100.0%	100.0%
LIABILITIES AND SHAREHOLDERS' EQUITY					
Common Stock	0.0%	0.5%	5.5%	5.3%	4.9%
Additional Paid-In Capital	0.0%	0.0%	81.3%	78.1%	71.7%
Retained Earnings	0.0%	0.0%	2.6%	-3.1%	0.3%
Accumulated other Comprehensive Income	-51.6%	28.6%	0.3%	9.2%	12.8%
Total Equity	-51.6%	29.1%	89.6%	89.6%	89.6%
Minority Interest	0.0%	0.0%	0.0%	0.0%	0.0%
Provisions	10.7%	25.5%	1.0%	0.9%	0.8%
Financial Liabilities	78.2%	28.7%	4.9%	4.7%	4.3%
Other Liabilities	18.0%	16.7%	4.5%	4.8%	5.2%
Total Liabilities	96.2%	45.4%	9.4%	9.5%	9.5%
Total Liabilities and Shareholders' Equity	100.0%	100.0%	100.0%	100.0%	100.0%

Sources: MeVis (reported data), SES Research (estimates)

Statement of Cash Flows MeVis Medical Solutions

Statement of Cash Flows (in EUR m)	2005	2006	2007e	2008e	2009e
EBT	1.4	4.5	0.1	3.2	4.8
Depreciation on Fixed Assets	0.1	0.2	0.5	0.1	0.3
Amortisation of Goodwill	0.0	0.0	0.0	0.0	0.0
Amortisation of Intangible Assets	0.1	0.0	0.0	1.3	2.6
Changes in Long-Term Provisions	0.2	-0.2	-2.0	0.0	0.0
Other Non-Cash related payments	0.0	-0.3	0.0	0.0	0.0
Cash Flow	1.8	4.2	-1.4	4.5	7.7
Changes in Inventories	0.0	0.0	0.0	0.0	0.0
Changes in Accounts Receivables	-0.9	-0.3	-1.3	1.0	-1.2
Changes in Accounts Payable	0.9	0.7	0.0	0.2	0.3
Changes in other constituents of Working Capital	0.0	0.0	0.0	0.0	0.0
Changes in Working Capital	-0.1	0.4	-1.4	1.1	-0.9
Cash Flow from Operating Activities	1.8	4.6	-2.8	5.7	6.7
CAPEX	-0.4	-0.4	-0.4	-3.1	-3.9
Cash Paid for Aquisitions	0.0	0.0	0.0	0.0	0.0
Purchases of Marketable Securities	0.0	0.0	0.0	0.0	0.0
Proceeds from Sale of Property and Equipment	0.0	0.1	0.0	0.0	0.0
Cash Flow from Investing Activities	-0.4	-0.3	-0.4	-3.1	-3.9
Dividend payment	0.0	0.0	0.0	0.0	0.0
Changes in Debt	0.0	-0.9	-1.0	0.0	0.0
Repurchase of Stock	0.0	0.0	0.0	0.0	0.0
Issuance of Common Stock	0.0	0.0	26.8	0.0	0.0
Other	0.0	0.0	0.0	-2.0	-2.0
Cash Flow from Financing Activities	0.0	-0.9	25.8	-2.0	-2.0
Effect of exchange rate changes	0.0	0.0	0.0	0.0	0.0
Net Changes of Cash and Cash Equivalents	1.4	3.4	22.6	0.6	0.9
Cash and Cash Equivalents, end of period	2.0	5.4	28.0	28.7	29.5

Sources: MeVis (reported data), SES Research (estimates) *incl. IPO costs (partially capitalised) of EUR 2.5 m

Financial Ratios MeVis Medical Solutions

	2005	2006	2007e	2008e	2009e
Operational Efficiency					
Total Operating Costs / Sales (%)	62.8%	43.2%	99.7%	100.0%	86.6%
EBIT-Margin (%)	37.2%	56.8%	0.3%	26.4%	35.7%
Operating Return (%)	197.5%	304.9%	19.1%	214.2%	298.4%
ROA (%)	-189.7%	434.2%	15.7%	140.7%	147.6%
Efficiency of Capital Employment					
Plant Turnover	32.4	29.1	132.4	34.9	50.0
Operating Assets Turnover	4.7	5.1	2.6	5.4	5.5
Capital Employed Turnover	2.6	1.1	0.2	0.3	0.4
Return on Capital					
ROCE (%)	112.6%	104.1%	0.1%	8.4%	16.4%
EBITDA / Average Capital Employed (%)	126.9%	109.6%	2.7%	12.6%	24.9%
ROE (%)	40.0%	110.6%	0.3%	10.3%	14.2%
ROIC (%)	28.7%	38.3%	0.3%	9.7%	13.4%
Solvency					
YE Net Debt	1,180.0	-2,812.0	-26,420.0	-27,039.0	-27,898.3
Net Gearing	-55.8%	-106.0%	-89.4%	-88.1%	-83.4%
Debt / Equity (%)	-151.5%	98.6%	5.5%	5.3%	4.8%
Current Ratio	0.9	2.0	10.5	9.9	9.6
Acid Test Ratio	0.8	1.3	9.5	9.0	8.8
EBITDA / Interest Paid	4.2	15.1	2.8	81.1	169.4
Interest Cover	3.8	14.4	0.1	53.5	111.3
Cash Flow					
Free Cash Flow (EURm)	1,365.0	4,148.0	-3,192.0	2,619.0	2,859.4
Free Cash Flow / Sales (%)	34.5%	49.7%	-43.4%	25.9%	18.3%
Adj. Free Cash Flow (EURm)	0.0	4,800.1	353.2	1,160.6	4,773.3
Adj. Free Cash Flow / Sales (%)	0.0%	57.5%	4.8%	11.5%	30.6%
Free Cash Flow / Net Income (%)	-1.6	1.4	-36.0	0.8	0.6
Interest Received / Average Cash (%)	0.5%	1.8%	1.9%	4.5%	3.4%
Interest Paid / Average Debt (%)	14.2%	11.3%	9.0%	3.1%	3.1%
Dividend Payout Ratio	0.0	0.0	0.0	0.0	0.0
Funds Management					
Capex / Sales (%)	-10.0%	-5.4%	-5.5%	-30.2%	-24.9%
Maintenance Capex / Sales (%)	1.9%	2.7%	6.7%	0.7%	1.9%
Capex / Depreciation (%)	-211.2%	-176.7%	-78.6%	-222.1%	-133.8%
Average Working Capital / Sales (%)	15.9%	15.8%	32.8%	25.1%	15.6%
Trade Creditors / Trade Debtors (%)	333.3%	427.6%	799.5%	400.0%	400.0%
Inventory processing period (days)	1.7	1.3	1.8	1.8	1.8
Receivables collection period (days)	92.3	82.0	160.0	80.0	80.0
Payables payment period (days)	27.7	19.2	20.0	20.0	20.0
Cash conversion cycle (days)	66.3	64.1	141.8	61.8	61.8

Sources: MeVis (reported data), SES Research (estimates)

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