

<b>Buy</b>  <b>EUR 8.50</b> (EUR 7.90)  Price <b>EUR 7.10</b> <b>Upside 19.7 %</b>	<b>Value Indicators:</b> EUR DCF: 8.84 FCF-Value Potential: 12.75	<b>Share data:</b> Bloomberg: M3V GR Reuters: M3VG ISIN: DE000A0LBFE4	<b>Description:</b> A leading supplier of software for visual-based medical equipment
	<b>Market Snapshot:</b> EUR m Market cap: 12.9 No. of shares (m): 1.8 EV: 7.4 Freefloat MC (ord.): 2.2 Ø Trad. Vol. (ord./30d): 3.54 th	<b>Shareholders:</b> Freefloat 16.7 % Others 22.6 % Professor Dr. Heinz-Otto 19.5 % Dr. Carl J. G. Evertsz 19.5 % Dr. Hartmut Jürgens 16.5 %	<b>Risk Profile (WRe):</b> 2012e Beta: 1.9 Price / Book: 0.6 Net Gearing: -25 % Debt / Equity: 40 % Net debt / EBITDA: -1.0 x

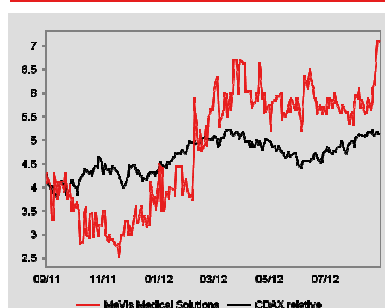
## Revenue stabilised; Results clearly increased

Stated Figures Q2/2012:									Comment on Figures:		
FY End: 31.12. in EUR m	Q2 2012	Q2 2012e	Q2 2011	yoy	6M 2012	6M 2012e	6M 2011	yoy			
Sales	3.2	3.0	3.0	9 %	6.9	6.6	6.7	3 %	<ul style="list-style-type: none"><li>MeVis managed to stabilise revenues in H1 – in particular in the Breast Care segment there was no further significant revenue decline.</li><li>At the same time costs were very sharply reduced (concentration on the core business in the context of the strategic realignment )</li><li>As a result the net result clearly increased.</li></ul>		
EBIT	0.6	0.4	-0.3	n.a.	1.3	1.0	0.2	594 %			
Margin	19.6 %	12.8 %	-11.0 %		18.3 %	15.2 %	2.7 %				
Net income	0.6	0.0	-1.0	n.a.	0.7	0.1	-1.2	n.a.			
Margin	17.2 %	-0.3 %	-33.1 %		9.7 %	1.5 %	-17.5 %				
EPS	0.32	0.00	-0.57	n.a.	0.39	0.06	-0.69	n.a.			

MeVis Medical Solutions AG has presented earnings figures for the first half and second quarter respectively. The results, announced on Monday, exceeded expectations. Against the background of stable revenues, strategic realignment and refocusing on OEM sales, the company was able to greatly reduce costs. Even if the first quarter benefited from a strong single order, all in all higher earnings can be expected for the full year owing to strong cost control. Following the dissolution of the Japanese subsidiary, the company is currently in the process of closing down the U.S. subsidiary. The consistent and high cash flow level stands out as particularly positive again. The cash flow from operating activities was EUR 3m in the first half of the year and without capitalised own work, stood at EUR 1.4m. This led to a clear rise in liquid funds as of June 30 to EUR 9m. While these funds must cover the final purchase price instalment (MBS) of EUR 3m in 2012, a very interesting picture is emerging for MeVis on the valuation side. With a net liquidity of EUR 6m, the EV for the company amounts to EUR 7m. In comparison to the H1 free cash flow of EUR 1.4m, the valuation presents itself as extremely interesting.

The price target is being raised owing to the adjusted forecasts. The share continues to be rated with Buy.

Changes in Estimates:							Comment on Changes:	
FY End: 31.12. in EUR m	2012e (old)	+ / -	2013e (old)	+ / -	2014e (old)	+ / -		
<b>Sales</b>	13.7	0.0 %	13.5	0.0 %	13.0	0.0 %	■ The stable revenue and cost control allows a further increase in the earnings forecasts.	
<b>EBITDA</b>	4.8	15.5 %	4.6	13.8 %	4.2	12.6 %	■ Against the background of the half year earnings of EUR 2.9m (EBITDA) and further slight cost cuts, the full year forecast is well within reach.	
<b>EBIT</b>	1.8	26.4 %	1.6	22.3 %	1.5	18.5 %		
<b>EBT</b>	1.7	28.0 %	1.7	21.0 %	1.6	17.3 %		
<b>Net income</b>	0.1	n.m.	0.7	85.7 %	1.0	23.9 %		



### Rel. Performance vs CDAX:

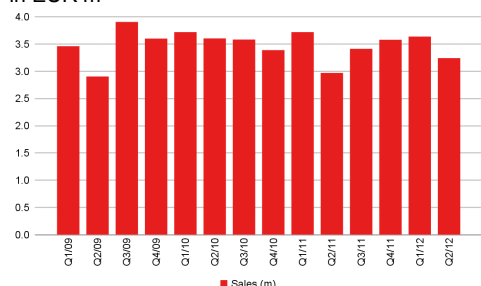
1 month:	23.7 %
6 months:	23.3 %
Year to date:	68.6 %
Trailing 12 months:	42.5 %

### Company events:

11/12/12 Q3

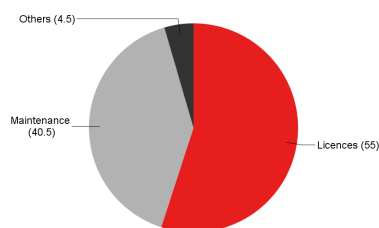
FY End: 31.12. in EUR m	CAGR (11-14e)	2008	2009	2010	2011	2012e	2013e	2014e
<b>Sales</b>	-1.7 %	10.8	13.9	14.3	13.7	13.7	13.5	13.0
Change Sales yoy		37.4 %	27.9 %	3.0 %	-4.3 %	0.2 %	-1.5 %	-3.7 %
Gross profit margin		114.5 %	113.3 %	114.7 %	112.3 %	113.5 %	112.3 %	111.4 %
<b>EBITDA</b>	2.2 %	1.8	4.5	3.5	4.4	5.5	5.2	4.7
Margin		16.2 %	32.3 %	24.2 %	32.3 %	40.2 %	38.8 %	36.3 %
<b>EBIT</b>	-	0.7	1.6	-5.4	-1.6	2.2	2.0	1.7
Margin		6.1 %	11.8 %	-38.0 %	-12.0 %	16.2 %	14.8 %	13.3 %
<b>Net income</b>	-	2.1	0.4	-8.3	-4.1	1.1	1.4	1.2
<b>EPS</b>	-	1.21	0.23	-4.89	-2.38	0.62	0.79	0.69
<b>EPS adj.</b>	-	1.21	0.23	-4.89	-2.38	0.62	0.79	0.69
<b>DPS</b>	-	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Dividend Yield		0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>FCFPS</b>		-0.64	0.02	1.04	1.34	1.56	1.59	1.17
<b>EV / Sales</b>		5.0 x	2.9 x	2.2 x	0.7 x	0.5 x	0.3 x	0.2 x
<b>EV / EBITDA</b>		31.0 x	9.0 x	9.3 x	2.2 x	1.4 x	0.9 x	0.6 x
<b>EV / EBIT</b>		81.9 x	24.7 x	-5.9 x	-5.9 x	3.4 x	2.4 x	1.6 x
<b>P / E</b>		26.2 x	102.1 x	-3.9 x	-3.0 x	11.5 x	9.0 x	10.3 x
<b>P / E adj.</b>		26.2 x	102.1 x	-3.9 x	-3.0 x	11.5 x	9.0 x	10.3 x
<b>FCF Yield Potential</b>		-3.1 %	1.9 %	-7.7 %	3.2 %	28.8 %	44.7 %	62.5 %
<b>Net Debt</b>		-0.8	-0.6	-0.7	-2.8	-5.5	-8.2	-10.2
<b>ROE</b>		6.7 %	1.2 %	-29.1 %	-18.0 %	4.9 %	5.9 %	4.8 %
<b>ROCE</b>		1.2 %	1.1 %	-20.4 %	-8.0 %	4.5 %	5.2 %	4.2 %
<b>Guidance:</b>	Stable revenues, growing earnings							

**Sales development**  
in EUR m



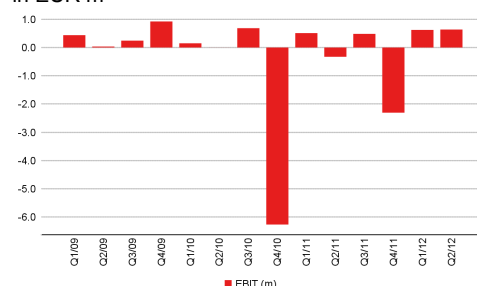
Source: Warburg Research

**Sales by types**  
2011; in %



Source: Warburg Research

**EBIT development**  
in EUR m



Source: Warburg Research

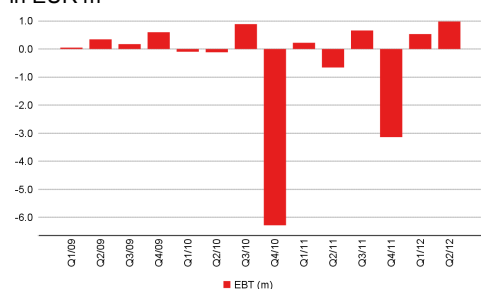
## Company Background

- The origin of 1998 founded MeVis Medical Solutions AG dates back to the year 1992, when the CeVis (Center for Complex Systems and Visualization) was founded at the University of Bremen.
- The public company was founded with the aim to develop commercially successful, disease-oriented products on the basis of scientific successes in research and to market these.
- Since its foundation, MeVis has been active in the area of computer-aided, image-based medical diagnostics and therapy.
- MeVis succeeded to advance towards a globally leading provider of software solutions for medical imaging. This development is mainly based on the success in the area of digital mammography.
- Together with Hologic's and Siemens's products, MeVis's solutions dominate this segment today. Furthermore, MeVis has a broad product portfolio of new products.

## Competitive Quality

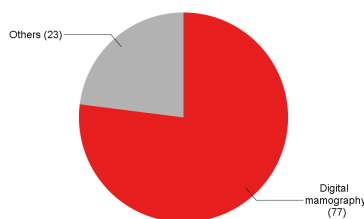
- MeVis follows a strategy of early market segment allocation in the new areas of image based medical technology. Products for mass markets are in the focus here.
- The ability of an early market segment allocation differentiates MeVis from competitors.
- MeVis maintains long-term and interdisciplinary cooperations with more than 100 hospitals and leading R&D centres in Germany, Europe, the USA and Asia.
- MeVis has partnerships with the globally leading medical technology OEMs. Particularly notable are Siemens and Hologic.

**EBT development**  
in EUR m



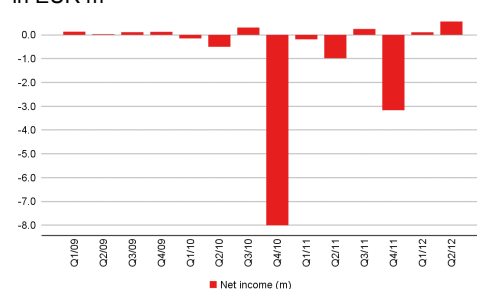
Source: Warburg Research

**Sales by segments**  
2011; in %



Source: Warburg Research

**Net income development**  
in EUR m



Source: Warburg Research

**DCF model**

Figures in EUR m	Detailed forecast period			Transitional period										Term. Value
	2012e	2013e	2014e	2015e	2016e	2017e	2018e	2019e	2020e	2021e	2022e	2023e	2024e	
Sales	13.7	13.5	13.0	13.0	13.0	13.0	13.0	13.0	13.4	13.8	14.2	14.6	15.1	0.0 %
Sales change	0.2 %	-1.5 %	-3.7 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	3.0 %	3.0 %	3.0 %	3.0 %	3.0 %	
EBIT	2.2	2.0	1.7	1.7	1.7	1.8	1.8	1.8	1.9	1.9	2.0	2.0	2.1	14.0 %
EBIT-margin	16.2 %	14.8 %	13.3 %	13.0 %	13.0 %	14.0 %	14.0 %	14.0 %	14.0 %	14.0 %	14.0 %	14.0 %	14.0 %	
Tax rate (EBT)	50.0 %	35.0 %	35.0 %	35.0 %	35.0 %	35.0 %	35.0 %	35.0 %	35.0 %	35.0 %	35.0 %	35.0 %	35.0 %	14.0 %
NOPAT	1.1	1.3	1.1	1.1	1.1	1.2	1.2	1.2	1.2	1.3	1.3	1.3	1.4	
Depreciation	3.3	3.2	3.0	2.9	2.9	2.7	2.6	2.5	2.4	2.3	2.3	2.2	2.1	14.0 %
in % of Sales	24.0 %	24.0 %	23.0 %	22.0 %	22.0 %	21.0 %	20.0 %	19.0 %	18.0 %	17.0 %	16.0 %	15.0 %	14.0 %	
Changes in provisions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	14.0 %
Change in Liquidity from														
- Working Capital	-0.9	-0.7	-0.4	-0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	14.0 %
- Capex	3.1	3.1	3.1	2.7	2.7	2.7	2.6	2.5	2.4	2.3	2.3	2.2	2.1	
Capex in % of Sales	22.4 %	22.7 %	23.5 %	21.0 %	21.0 %	21.0 %	20.0 %	19.0 %	18.0 %	17.0 %	16.0 %	15.0 %	14.0 %	14.0 %
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Free Cash Flow (WACC Model)	2.2	2.2	1.5	1.4	1.2	1.2	1.2	1.2	1.2	1.2	1.3	1.3	1.3	1
PV of FCF	2.1	1.9	1.1	1.0	0.7	0.6	0.6	0.5	0.5	0.4	0.4	0.4	0.3	3
share of PVs	38.59 %			40.57 %										20.84 %

**Model parameter**

Derivation of WACC:

Debt ratio	15.00 %
Cost of debt	4.2 %
Market return	9.00 %
Risk free rate	4.00 %

**WACC** 12.10 %

Derivation of Beta:

Financial Strength	1.50
Liquidity	2.00
Cyclicality	2.00
Transparency	2.00
Others	2.00

**Beta** 1.90**Valuation (m)**

Present values 2024e

Terminal Value	3
Financial liabilities	5
Pension liabilities	0
Hybrid capital	0
Minority interest	0
Market val. of investments	0
Liquidity	8
No. of shares (m)	1.8
<b>Equity Value</b>	<b>16</b>
<b>Value per share (EUR)</b>	<b>8.84</b>

**Sensitivity Value per Share (EUR)**

Terminal Growth								Delta EBIT-margin							
Beta (WACC)	-0.75 %	-0.50 %	-0.25 %	0.00 %	0.25 %	0.50 %	0.75 %	Beta (WACC)	-1.5 pp	-1.0 pp	-0.5 pp	0.0	+0.5 pp	+1.0 pp	+1.5 pp
<b>2.14</b> (13.1 %)	8.30	8.32	8.35	8.37	8.40	8.42	8.45	<b>2.14</b> (13.1 %)	7.78	7.98	8.17	8.37	8.57	8.77	8.96
<b>2.02</b> (12.6 %)	8.52	8.54	8.57	8.59	8.62	8.65	8.68	<b>2.02</b> (12.6 %)	7.98	8.18	8.39	8.59	8.80	9.01	9.21
<b>1.96</b> (12.4 %)	8.63	8.66	8.68	8.71	8.74	8.77	8.81	<b>1.96</b> (12.4 %)	8.08	8.29	8.50	8.71	8.92	9.13	9.34
<b>1.90</b> (12.1 %)	8.75	8.77	8.80	<b>8.84</b>	8.87	8.90	8.94	<b>1.90</b> (12.1 %)	8.19	8.41	8.62	<b>8.84</b>	9.05	9.26	9.48
<b>1.84</b> (11.9 %)	8.87	8.90	8.93	8.96	9.00	9.03	9.07	<b>1.84</b> (11.9 %)	8.31	8.53	8.74	8.96	9.18	9.40	9.62
<b>1.78</b> (11.6 %)	9.00	9.03	9.06	9.10	9.13	9.17	9.21	<b>1.78</b> (11.6 %)	8.43	8.65	8.87	9.10	9.32	9.54	9.77
<b>1.66</b> (11.1 %)	9.27	9.30	9.34	9.38	9.43	9.47	9.52	<b>1.66</b> (11.1 %)	8.68	8.92	9.15	9.38	9.62	9.85	10.08

■ ...

## Free Cash Flow Value Potential

Warburg Research's valuation tool "FCF Value Potential" reflects the ability of the company to generate sustainable free cash flows. It is based on the "FCF potential" - a FCF "ex growth" figure - which assumes unchanged working capital and pure maintenance capex. A value indication is derived by discounting the "FCF potential" of a given year with the weighted costs of capital. The fluctuating value indications over time add a timing element to the DCF model (our preferred valuation tool).

in EUR m	2008	2009	2010	2011	2012e	2013e	2014e	
Net Income before minorities	2.1	0.4	-8.3	-4.1	1.1	1.4	1.2	
+ Depreciation + Amortisation	1.1	2.8	8.9	6.1	3.3	3.2	3.0	
- Net Interest Income	2.0	-0.5	-0.2	-1.3	-0.1	0.1	0.1	
- Maintenance Capex	2.8	2.9	3.2	2.9	2.9	3.0	3.0	
+ Other	0.0	0.0	0.0	0.0	0.6	0.6	0.6	
<b>= Free Cash Flow Potential</b>	<b>-1.7</b>	<b>0.8</b>	<b>-2.5</b>	<b>0.3</b>	<b>2.1</b>	<b>2.1</b>	<b>1.7</b>	
Free Cash Flow Yield Potential	-3.1 %	1.9 %	-7.7 %	3.2 %	28.8 %	44.7 %	62.5 %	
WACC	12.10 %	12.10 %	12.10 %	12.10 %	12.10 %	12.10 %	12.10 %	
<b>= Enterprise Value (EV)</b>	<b>54.5</b>	<b>40.3</b>	<b>32.1</b>	<b>9.6</b>	<b>7.4</b>	<b>4.7</b>	<b>2.7</b>	
<b>= Fair Enterprise Value</b>	<b>n.a.</b>	<b>6.3</b>	<b>n.a.</b>	<b>2.6</b>	<b>17.7</b>	<b>17.4</b>	<b>13.9</b>	
- Net Debt (Cash)	-2.8	-2.8	-2.8	-2.8	-5.5	-8.2	-10.2	
- Pension Liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Market value of minorities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
+ Market value of investments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
<b>= Fair Market Capitalisation</b>	<b>n.a.</b>	<b>9.1</b>	<b>n.a.</b>	<b>5.4</b>	<b>23.2</b>	<b>25.6</b>	<b>24.1</b>	
No. of shares (total) (m)	1.8	1.8	1.8	1.8	1.8	1.8	1.8	
<b>= Fair value per share (EUR)</b>	<b>n.a.</b>	<b>5.01</b>	<b>n.a.</b>	<b>2.95</b>	<b>12.75</b>	<b>14.07</b>	<b>13.25</b>	
premium (-) / discount (+) in %					79.6 %	98.1 %	86.6 %	
<b>Sensitivity Fair value per Share (EUR)</b>								
WACC	15.10 %	n.a.	4.32	n.a.	2.67	10.82	12.17	11.73
	14.10 %	n.a.	4.52	n.a.	2.75	11.37	12.71	12.16
	13.10 %	n.a.	4.75	n.a.	2.84	12.01	13.34	12.66
	<b>12.10 %</b>	<b>n.a.</b>	<b>5.01</b>	<b>n.a.</b>	<b>2.95</b>	<b>12.75</b>	<b>14.07</b>	<b>13.25</b>
	11.10 %	n.a.	5.33	n.a.	3.08	13.63	14.93	13.93
	10.10 %	n.a.	5.70	n.a.	3.23	14.68	15.96	14.75
	9.10 %	n.a.	6.16	n.a.	3.41	15.96	17.22	15.76

Valuation							
	2008	2009	2010	2011	2012e	2013e	2014e
Price / Book	1.7 x	1.3 x	1.3 x	0.6 x	0.6 x	0.5 x	0.5 x
Book value per share ex intangibles	3.29	3.17	1.63	1.05	1.92	2.95	3.74
EV / Sales	5.0 x	2.9 x	2.2 x	0.7 x	0.5 x	0.3 x	0.2 x
EV / EBITDA	31.0 x	9.0 x	9.3 x	2.2 x	1.4 x	0.9 x	0.6 x
EV / EBIT	81.9 x	24.7 x	-5.9 x	-5.9 x	3.4 x	2.4 x	1.6 x
EV / EBIT adj.*	81.9 x	24.7 x	-5.9 x	-5.9 x	3.4 x	2.4 x	1.6 x
P / FCF	-49.8 x	1319.4 x	18.5 x	5.4 x	4.6 x	4.5 x	6.0 x
P / E	26.2 x	102.1 x	-3.9 x	-3.0 x	11.5 x	9.0 x	10.3 x
P / E adj.*	26.2 x	102.1 x	-3.9 x	-3.0 x	11.5 x	9.0 x	10.3 x
Dividend Yield	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Free Cash Flow Yield Potential	-3.1 %	1.9 %	-7.7 %	3.2 %	28.8 %	44.7 %	62.5 %
*Adjustments made for: -							

## Consolidated profit & loss

In EUR m	2008	2009	2010	2011	2012e	2013e	2014e
<b>Sales</b>	<b>10.8</b>	<b>13.9</b>	<b>14.3</b>	<b>13.7</b>	<b>13.7</b>	<b>13.5</b>	<b>13.0</b>
Change Sales yoy	37.4 %	27.9 %	3.0 %	-4.3 %	0.2 %	-1.5 %	-3.7 %
Increase / decrease in inventory	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Own work capitalised	1.9	2.3	2.8	2.4	2.4	2.2	2.0
<b>Total Sales</b>	<b>12.8</b>	<b>16.2</b>	<b>17.1</b>	<b>16.1</b>	<b>16.1</b>	<b>15.7</b>	<b>15.0</b>
Material Expenses	0.4	0.5	0.7	0.7	0.5	0.5	0.5
<b>Gross profit</b>	<b>12.4</b>	<b>15.7</b>	<b>16.4</b>	<b>15.4</b>	<b>15.5</b>	<b>15.2</b>	<b>14.5</b>
<b>Gross profit margin</b>	<b>114.5 %</b>	<b>113.3 %</b>	<b>114.7 %</b>	<b>112.3 %</b>	<b>113.5 %</b>	<b>112.3 %</b>	<b>111.4 %</b>
Personnel expenses	7.7	9.8	10.4	9.2	8.4	8.3	8.2
Other operating income	1.1	1.8	1.1	1.1	0.7	0.7	0.7
Other operating expenses	4.1	3.3	3.7	2.9	2.3	2.3	2.2
Unfrequent items	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>EBITDA</b>	<b>1.8</b>	<b>4.5</b>	<b>3.5</b>	<b>4.4</b>	<b>5.5</b>	<b>5.2</b>	<b>4.7</b>
<b>Margin</b>	<b>16.2 %</b>	<b>32.3 %</b>	<b>24.2 %</b>	<b>32.3 %</b>	<b>40.2 %</b>	<b>38.8 %</b>	<b>36.3 %</b>
Depreciation of fixed assets	0.4	0.5	5.8	3.0	0.5	0.5	0.5
<b>EBITA</b>	<b>1.4</b>	<b>3.9</b>	<b>-2.3</b>	<b>1.5</b>	<b>5.0</b>	<b>4.7</b>	<b>4.2</b>
Amortisation of intangible assets	0.7	2.3	3.1	3.1	2.7	2.7	2.5
Goodwill amortization	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>EBIT</b>	<b>0.7</b>	<b>1.6</b>	<b>-5.4</b>	<b>-1.6</b>	<b>2.2</b>	<b>2.0</b>	<b>1.7</b>
<b>Margin</b>	<b>6.1 %</b>	<b>11.8 %</b>	<b>-38.0 %</b>	<b>-12.0 %</b>	<b>16.2 %</b>	<b>14.8 %</b>	<b>13.3 %</b>
<b>EBIT adj.</b>	<b>0.7</b>	<b>1.6</b>	<b>-5.4</b>	<b>-1.6</b>	<b>2.2</b>	<b>2.0</b>	<b>1.7</b>
Interest income	1.1	0.6	0.4	0.1	0.1	0.1	0.1
Interest expenses	0.3	1.0	0.7	0.3	0.2	0.0	0.0
Other financial income (loss)	1.3	-0.1	0.1	-1.0	0.0	0.0	0.0
<b>EBT</b>	<b>2.7</b>	<b>1.2</b>	<b>-5.6</b>	<b>-2.9</b>	<b>2.1</b>	<b>2.1</b>	<b>1.8</b>
<b>Margin</b>	<b>25.0 %</b>	<b>8.4 %</b>	<b>-39.2 %</b>	<b>-21.3 %</b>	<b>15.5 %</b>	<b>15.6 %</b>	<b>14.1 %</b>
Total taxes	0.6	0.8	2.7	1.2	1.1	0.7	0.6
<b>Net income from continuing operations</b>	<b>2.1</b>	<b>0.4</b>	<b>-8.3</b>	<b>-4.1</b>	<b>1.1</b>	<b>1.4</b>	<b>1.2</b>
Income from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net income before minorities</b>	<b>2.1</b>	<b>0.4</b>	<b>-8.3</b>	<b>-4.1</b>	<b>1.1</b>	<b>1.4</b>	<b>1.2</b>
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net income</b>	<b>2.1</b>	<b>0.4</b>	<b>-8.3</b>	<b>-4.1</b>	<b>1.1</b>	<b>1.4</b>	<b>1.2</b>
<b>Margin</b>	<b>19.5 %</b>	<b>2.9 %</b>	<b>-58.4 %</b>	<b>-29.9 %</b>	<b>7.7 %</b>	<b>10.1 %</b>	<b>9.2 %</b>
Number of shares, average	1.7	1.7	1.7	1.7	1.7	1.7	1.7
<b>EPS</b>	<b>1.21</b>	<b>0.23</b>	<b>-4.89</b>	<b>-2.38</b>	<b>0.62</b>	<b>0.79</b>	<b>0.69</b>
EPS adj.	1.21	0.23	-4.89	-2.38	0.62	0.79	0.69

\*Adjustments made for:

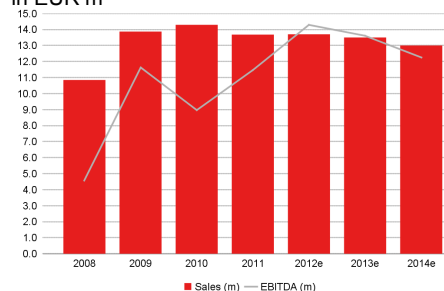
**Guidance: Stable revenues, growing earnings**

## Financial Ratios

	2008	2009	2010	2011	2012e	2013e	2014e
Total Operating Costs / Sales	101.7 %	84.4 %	95.3 %	85.2 %	77.3 %	77.5 %	79.1 %
Operating Leverage	0.9 x	5.2 x	n.a.	16.3 x	n.a.	6.7 x	3.6 x
EBITDA / Interest expenses	5.5 x	4.5 x	4.8 x	12.8 x	27.5 x	n.a.	n.a.
Tax rate (EBT)	21.9 %	65.9 %	-48.9 %	-40.4 %	50.0 %	35.0 %	35.0 %
Dividend Payout Ratio	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Sales per Employee	59,912	58,029	63,799	73,935	67,322	60,308	52,795

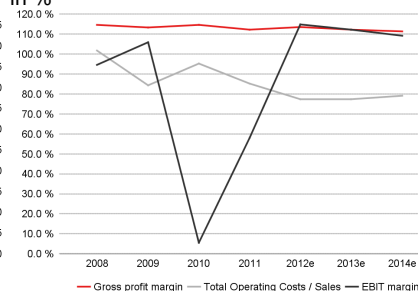
## Sales, EBITDA

in EUR m

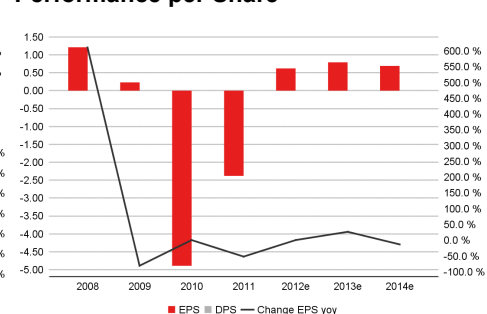


## Operating Performance

in %



## Performance per Share



Source: Warburg Research

Source: Warburg Research

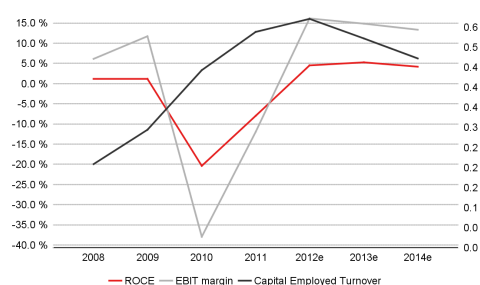
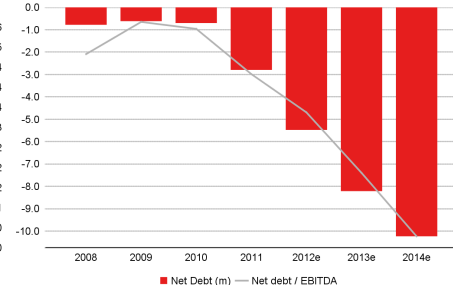
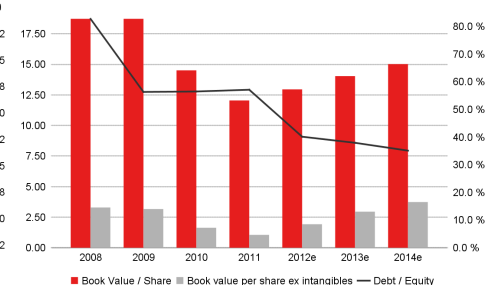
Source: Warburg Research

**Consolidated balance sheet**

In EUR m	2008	2009	2010	2011	2012e	2013e	2014e
<b>Assets</b>							
Goodwill and other intangible assets	26.9	27.1	22.0	18.9	19.0	19.1	19.4
thereof other intangible assets	10.1	10.5	9.4	6.3	6.3	6.4	6.8
thereof Goodwill	16.7	16.6	12.6	12.6	12.6	12.6	12.6
Property, plant and equipment	1.4	1.2	0.9	0.7	0.4	0.1	-0.1
Financial assets	0.0	0.0	1.3	0.3	0.3	0.3	0.3
Other long-term assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Fixed assets</b>	<b>28.3</b>	<b>28.3</b>	<b>24.2</b>	<b>19.9</b>	<b>19.7</b>	<b>19.5</b>	<b>19.6</b>
Inventories	0.2	0.1	0.1	0.3	0.1	0.1	0.1
Accounts receivable	2.3	4.2	5.1	4.4	3.8	3.3	2.8
Liquid assets	20.3	15.1	8.2	7.5	7.2	9.9	11.9
Other short-term assets	8.5	3.2	1.2	0.5	0.5	0.5	0.5
<b>Current assets</b>	<b>31.3</b>	<b>22.7</b>	<b>14.6</b>	<b>12.7</b>	<b>11.6</b>	<b>13.8</b>	<b>15.3</b>
<b>Total Assets</b>	<b>59.6</b>	<b>51.0</b>	<b>38.8</b>	<b>32.5</b>	<b>31.2</b>	<b>33.3</b>	<b>34.9</b>
<b>Liabilities and shareholders' equity</b>							
Subscribed capital	1.8	1.8	1.8	1.8	1.8	1.8	1.8
Capital reserve	28.4	28.5	28.5	28.1	28.1	28.1	28.1
Retained earnings	0.0	0.0	0.0	0.0	1.1	2.4	3.6
Other equity components	2.4	2.3	-5.5	-9.2	-8.7	-8.2	-7.7
Shareholder's equity	32.6	32.6	24.8	20.7	22.3	24.2	25.8
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total equity</b>	<b>32.6</b>	<b>32.6</b>	<b>24.8</b>	<b>20.7</b>	<b>22.3</b>	<b>24.2</b>	<b>25.8</b>
Provisions	0.2	0.2	1.1	1.1	1.1	1.1	1.1
thereof provisions for pensions and similar obligations	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial liabilities (total)	19.4	14.5	7.5	4.7	1.7	1.7	1.7
thereof short-term financial liabilities	0.5	0.4	0.0	0.0	0.0	0.0	0.0
Accounts payable	1.0	1.1	1.3	1.2	1.3	1.5	1.4
Other liabilities	6.3	2.6	4.2	4.8	4.8	4.8	4.8
<b>Liabilities</b>	<b>27.0</b>	<b>18.3</b>	<b>14.0</b>	<b>11.8</b>	<b>9.0</b>	<b>9.2</b>	<b>9.1</b>
<b>Total liabilities and shareholders' equity</b>	<b>59.6</b>	<b>51.0</b>	<b>38.8</b>	<b>32.5</b>	<b>31.2</b>	<b>33.3</b>	<b>34.9</b>

**Financial Ratios**

	2008	2009	2010	2011	2012e	2013e	2014e
<b>Efficiency of Capital Employment</b>							
Operating Assets Turnover	3.8 x	3.1 x	3.0 x	3.3 x	4.5 x	6.6 x	9.4 x
Capital Employed Turnover	0.2 x	0.3 x	0.4 x	0.5 x	0.6 x	0.5 x	0.5 x
ROA	7.5 %	1.4 %	-34.5 %	-20.6 %	5.4 %	7.0 %	6.1 %
<b>Return on Capital</b>							
ROCE	1.2 %	1.1 %	-20.4 %	-8.0 %	4.5 %	5.2 %	4.2 %
ROE	6.7 %	1.2 %	-29.1 %	-18.0 %	4.9 %	5.9 %	4.8 %
Adj. ROE	6.7 %	1.2 %	-29.1 %	-18.0 %	4.9 %	5.9 %	4.8 %
<b>Balance sheet quality</b>							
Net Debt	-0.8	-0.6	-0.7	-2.8	-5.5	-8.2	-10.2
Net Financial Debt	-0.8	-0.6	-0.7	-2.8	-5.5	-8.2	-10.2
Net Gearing	-2.4 %	-1.9 %	-2.8 %	-13.5 %	-24.6 %	-34.0 %	-39.6 %
Net Financial Debt / EBITDA	-46.6 %	-13.8 %	-20.4 %	-63.3 %	-99.5 %	-156.7 %	-216.8 %
Book Value / Share	18.7	18.7	14.5	12.0	13.0	14.0	15.0
Book value per share ex intangibles	3.3	3.2	1.6	1.1	1.9	2.9	3.7

**ROCE Development**

**Net debt**  
in EUR m

**Book Value per Share**  
in EUR


Source: Warburg Research

Source: Warburg Research

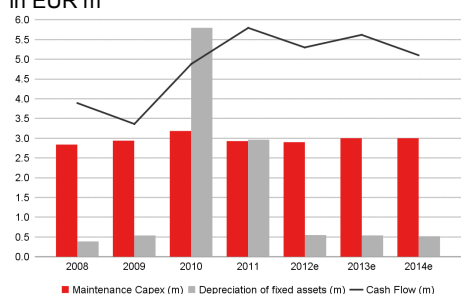
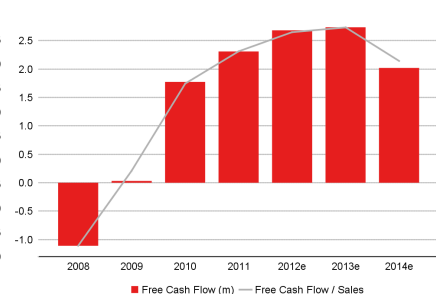
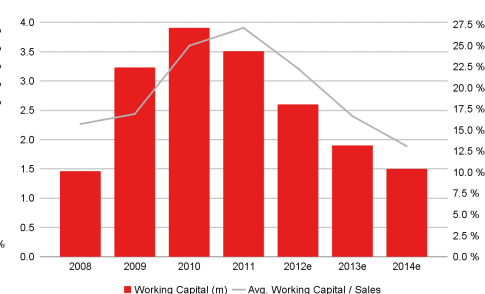
Source: Warburg Research

**Consolidated cash flow statement**

In EUR m	2008	2009	2010	2011	2012e	2013e	2014e
Net income	0.6	-0.2	-5.3	-1.3	1.1	1.4	1.2
Depreciation of fixed assets	0.4	0.5	5.8	3.0	0.5	0.5	0.5
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.7	2.3	3.1	3.1	2.7	2.7	2.5
Increase/decrease in long-term provisions	0.2	0.1	0.9	0.0	0.0	0.0	0.0
Other non-cash income and expenses	1.4	0.1	-0.4	0.0	0.0	0.0	0.0
<b>Cash Flow</b>	<b>3.2</b>	<b>2.8</b>	<b>4.0</b>	<b>4.8</b>	<b>4.3</b>	<b>4.6</b>	<b>4.2</b>
Increase / decrease in inventory	-0.1	0.0	0.0	-0.2	0.2	0.0	0.0
Increase / decrease in accounts receivable	-0.6	1.9	-0.5	1.0	0.6	0.5	0.5
Increase / decrease in accounts payable	0.4	-1.6	1.4	-0.5	0.1	0.2	-0.1
Increase / decrease in other working capital positions	0.0	0.0	0.0	0.0	0.5	0.5	0.5
Increase / decrease in working capital	-0.3	0.3	0.9	0.4	1.4	1.2	0.9
<b>Net cash provided by operating activities</b>	<b>2.9</b>	<b>3.1</b>	<b>5.0</b>	<b>5.1</b>	<b>5.8</b>	<b>5.8</b>	<b>5.1</b>
Investments in intangible assets	-2.6	-2.7	-3.0	-2.7	-2.8	-2.8	-2.8
Investments in property, plant and equipment	-1.4	-0.3	-0.2	-0.1	-0.3	-0.3	-0.3
Payments for acquisitions	-4.5	-4.7	-7.2	-3.0	-3.0	0.0	0.0
Financial investments	-5.0	-2.3	3.9	1.1	0.0	0.0	0.0
Income from asset disposals	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net cash provided by investing activities</b>	<b>-13.5</b>	<b>-10.0</b>	<b>-6.5</b>	<b>-4.7</b>	<b>-6.1</b>	<b>-3.1</b>	<b>-3.1</b>
Change in financial liabilities	-0.4	-0.1	-0.4	0.0	-3.0	0.0	0.0
Dividends paid	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Purchase of own shares	-2.2	-0.5	0.0	0.0	0.0	0.0	0.0
Capital measures	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	3.0	0.0	0.0
<b>Net cash provided by financing activities</b>	<b>-2.6</b>	<b>-0.5</b>	<b>-0.4</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
Change in liquid funds	-13.2	-7.4	-2.0	0.4	-0.3	2.7	2.0
Effects of exchange-rate changes on cash	0.0	-0.1	-0.1	0.1	0.0	0.0	0.0
<b>Cash and cash equivalent at end of period</b>	<b>15.3</b>	<b>7.7</b>	<b>5.6</b>	<b>6.1</b>	<b>5.8</b>	<b>8.5</b>	<b>10.5</b>

**Financial Ratios**

	2008	2009	2010	2011	2012e	2013e	2014e
<b>Cash Flow</b>							
Free Cash Flow	-1.1	0.0	1.8	2.3	2.7	2.7	2.0
Free Cash Flow / Sales	-10.2 %	0.2 %	12.4 %	16.9 %	19.6 %	20.3 %	15.5 %
Free Cash Flow Potential	-1.7	0.8	-2.5	0.3	2.1	2.1	1.7
Free Cash Flow / Sales	-10.2 %	0.2 %	12.4 %	16.9 %	19.6 %	20.3 %	15.5 %
Free Cash Flow / Net Profit	-52.5 %	7.8 %	-21.2 %	-56.4 %	253.3 %	200.4 %	169.8 %
Interest Received / Avg. Cash	4.3 %	3.4 %	3.3 %	1.4 %	1.4 %	1.2 %	0.9 %
Interest Paid / Avg. Debt	2.9 %	5.9 %	6.5 %	5.7 %	6.2 %	0.0 %	0.0 %
<b>Management of Funds</b>							
Investment ratio	37.1 %	21.9 %	22.2 %	20.5 %	22.4 %	22.7 %	23.5 %
Maint. Capex / Sales	26.2 %	21.2 %	22.3 %	21.4 %	21.2 %	22.2 %	23.1 %
Capex / Dep	367.9 %	107.0 %	35.8 %	46.2 %	93.5 %	94.8 %	102.3 %
Avg. Working Capital / Sales	15.7 %	16.9 %	25.0 %	27.1 %	22.3 %	16.7 %	13.1 %
Trade Debtors / Trade Creditors	225.9 %	376.6 %	390.2 %	378.4 %	292.3 %	220.0 %	200.0 %
Inventory Turnover	2.4 x	3.5 x	8.0 x	2.8 x	5.5 x	5.4 x	5.2 x
Receivables collection period (days)	79	111	131	118	101	89	79
Payables payment period (days)	1,032	891	697	599	866	1,014	983
Cash conversion cycle (Days)	-846	-757	-635	-424	-781	-930	-897

**CAPEX and Cash Flow**  
in EUR m

**Free Cash Flow Generation**

**Working Capital**


Source: Warburg Research

Source: Warburg Research

Source: Warburg Research



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- 1- ... or companies affiliated with this enterprise **holds 5%** or more of the share capital of the analysed company
- 2- ... or companies affiliated with this enterprise was a member in a **consortium** which acquired the shares of the analysed company within the last twelve months
- 3- ... or companies affiliated with this enterprise **manages** the **securities** of the analysed company on the basis of an existing contract
- 4- ... or companies affiliated with this enterprise over the previous 12 months has been providing **investment banking services** for the analysed company for which a compensation has been or will be paid
- 5- ... effected an **agreement** with the analysed company **for the preparation of the financial analysis**
- 6- ... or companies affiliated with this enterprise **regularly trade** in shares or derivatives of the analysed company
- 7- ... or the analyst responsible for this company has **other important financial interests** in relation to the analysed company such as e.g. the performance of mandates for the analysed company

This report has been made accessible to the company analysed.

Company	Disclosure	Link to the historical price targets and rating changes (last 12 months)
MeVis Medical Solutions	3, 4, 5, 6, 7	<a href="http://www.mmwarburg.com/disclaimer/disclaimer_en/DE000A0LBFE4.htm">http://www.mmwarburg.com/disclaimer/disclaimer_en/DE000A0LBFE4.htm</a>

**INVESTMENT RECOMMENDATION**

Investment recommendation: expected direction of the share price development of the financial instrument up to the given price target in the opinion of the analyst who covers this financial instrument.

-B-	<b>Buy:</b>	The price of the analysed financial instrument is expected to rise over the next 12 months.
-H-	<b>Hold:</b>	The price of the analysed financial instrument is expected to remain mostly flat over the next 12 months.
-S-	<b>Sell:</b>	The price of the analysed financial instrument is expected to fall over the next 12 months.
“-“	<b>Rating suspended:</b>	The available information currently does not permit an evaluation of the company.

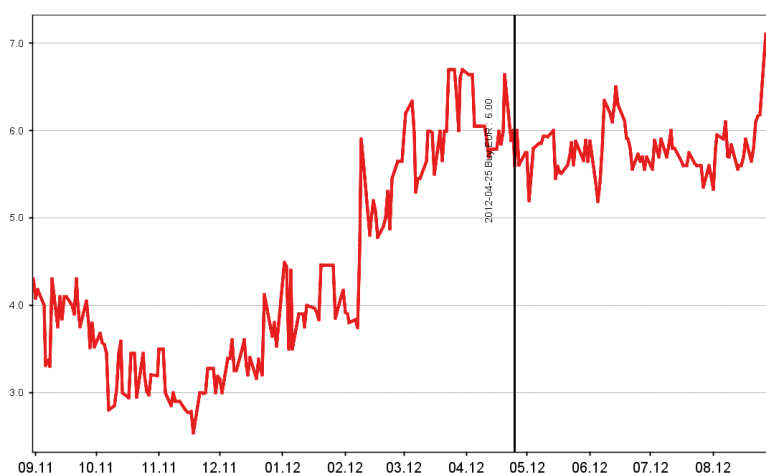
**WARBURG RESEARCH GMBH – RESEARCH UNIVERSE BY RATING**

Rating	Number of stocks	% of Universe
Buy	111	59
Hold	65	35
Sell	7	4
Rating suspended	4	2
<b>Total</b>	<b>187</b>	<b>100</b>

**WARBURG RESEARCH GMBH – ANALYSED RESEARCH UNIVERSE BY RATING ...**

... Looking only at companies for which a disclosure according to § 34b of the Germany Securities Trading Act and the FinAnV has to be made.

Rating	Number of stocks	% of Universe
Buy	99	66
Hold	43	29
Sell	5	3
Rating suspended	3	2
<b>Total</b>	<b>150</b>	<b>100</b>

**PRICE AND RATING HISTORY MEVIS MEDICAL SOLUTIONS AS OF 30.08.2012**


The chart has markings if Warburg Research GmbH changed its rating in the last 12 months. Every marking represents the date and closing price on the day of the rating change.

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**Our research can be found under:**

Warburg Research	research.mmwarburg.com/en/index.html	Thomson	www.thomson.com
Bloomberg	MMWA GO	Reuters	www.knowledge.reuters.com
FactSet	www.factset.com	Capital IQ	www.capitaliq.com

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