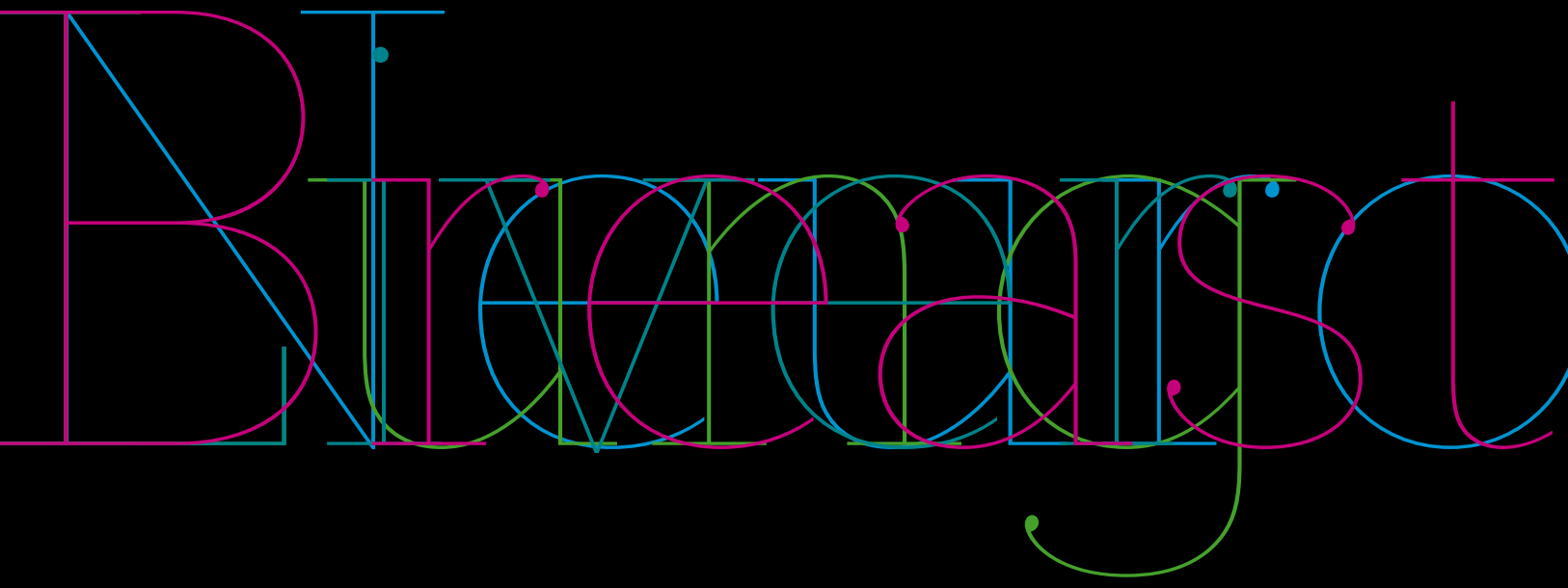
MeVis



Insights

Annual Report 2008

Consolidated key figures (IFRS)

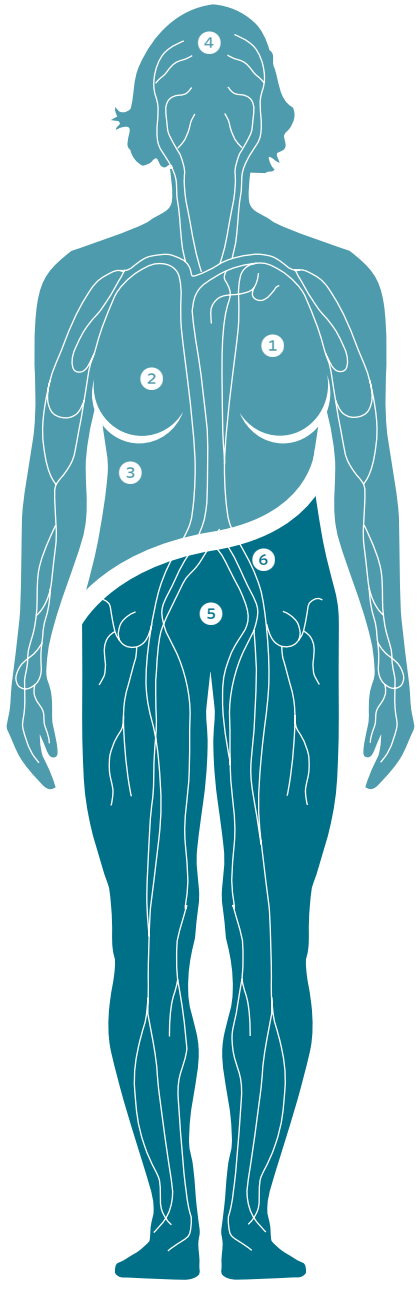
FIGURES IN € 000S		2008	2007	Change
Revenues		**10,844**	7,892	37%
of which generated with customers in:[1]	Europe	1,692	1,529	11%
	USA	9,656	6,827	41%
EBIT[2]		665	806	-18%
EBIT margin[2]		6%	10%	–
Net financial result[2]		2,041	-319	740%
EBT		2,706	487	456%
Consolidated net profit for period		**2,114**	132	1,502%
Earnings per share in € (basic and diluted)		**1,21€**	0,17€	612%

Equity capital	32,611	30,769	6%
Intangible assets	26,876	1,388	1,836%
Deferred tax assets	2,411	1,079	124%
Non-current and current liabilites	26,973	692	3,798%
Balance sheet total	59,584	35,575	68%
Equity ratio	55%	87%	–
Cash and cash equivalents[3]	15,257	28,471	-46%
Employees (average)	181	92	97%

[1] comprising indirect sales via industry partners as well as sales to clinical end customers procuring services for the preoperative planning of liver surgery (Distant Services) [2] In accordance with IAS 8, currency gains and losses have been reported within the net financial result for the first time. [3] Not included in this position is a promissory loan note of € 5 million.

Key share data

	as at Dec. 31, 2008
industry sector	Software / Medical Technology
subscribed capital	1,820,000.00 €
No. of shares	1,820,000
Last quotation on Dec. 28, 2007	49.90 €
Last quotation on Dec. 30, 2008	42.00 €
High / low 2008	49.90 € / 19.50 €
Market capitalization	€ 76,440 million
Treasury stock	109,499 (6.0%)
Free float	38.6%
Prime Standard (Regulated Market)	Frankfurt and Xetra
Over-the-counter markets	Frankfurt, Berlin, Düsseldorf, Munich, Stuttgart,
Indices	CDAX, Prime All Share, Technology All Share, DAXsubsector Software, Daxsector Software, German Entrepreneurial Index (GEX)
ISIN / WKN / Ticker symbol	DE000A0LBFE4 / A0LBFE / M3V



Letter to the shareholders

Dear shareholders,
customers, business associates and colleagues,

During the last fiscal year, we focused entirely on the expansion of our business activities announced prior to our initial public stock offering (IPO). In the course of consistently implementing our growth strategy by adding new disease areas and extending our partnerships and distribution system, top priority was devoted to the development of new software applications. To ensure the timely market rollout of new products and product generations, we doubled the size of our workforce last year.

We plan to maintain this especially dynamic growth in the future. To this end, we have entered into a number of agreements with our industry partners addressing future developments and defined new strategic fields of activity. For instance, together with our industry partner Invivo Corporation, we have already successfully launched an extensive software application for brain diagnostics and support for neuro-surgical procedures, which was released to the market in the fourth quarter. In the current year, we plan to introduce a software application for diagnostics and biopsy of the prostate gland using magnetic resonance imaging (MRI), and continue the development of our multi-modality software applications for breast cancer diagnostics. In addition, we are working on further expansion of our innovative software applications for cancer detection and therapy monitoring – including computer-aided detection of colorectal polyps (virtual colonoscopy) for market introduction in the year 2010.

The robust organic corporate growth of the MeVis Group in 2008 was additionally shaped by two strategically important acquisitions. The acquisition of the lung CT business in April formed the starting point for our swift market launch of our Visia™ CT Lung System in the fall. This suite of software applications has already been given clearance by the U.S. FDA for computer-aided detection of lung nodules and pulmonary emboli. This technology is particularly suitable as an aid for the efficient, early detection of lung cancer and for diagnosis of other lung diseases. Within the scope of the launch of our own brand label Visia™, we successfully expanded our relationship with Invivo Corporation as an additional distribution partner for this product, to compliment our existing sales cooperative ventures with Toshiba and Vital Images.

In addition, the formal separation of the business relationships with our industrial partners Siemens and Hologic in October 2008 was of immense strategic importance. Thanks to the carve-out of the Hologic business from our joint venture operated with Siemens and the full integration of this business division into the MeVis Group, we can now focus exclusively on the rapid, customized development of new software

Dr. Carl J. G. Evertsz

Christian H. Seefeldt

Thomas E. Tynes

applications for Siemens within the joint venture. One recent example is the diagnostic software developed by MeVis BreastCare for the new Acuson S2000 multi-functional automatic ultrasound breast scanner, which has been finalized for market rollout by Siemens. Within the joint venture, we are also working on the development of specialized software products for other imaging modalities.

At the same time, the full integration of the business with our industry partner Hologic into the MeVis Group will provide fresh opportunities for further intensification of our mutual business relations. For example, the first SecurView™ DX diagnostics workstations featuring our software application for the new tomosynthesis modality from Hologic were already sold outside of the U.S.

Accordingly, we have paved the way for a further expansion of our international leading position in the development of specialized software applications for early detection and diagnosis of breast cancer and support for biopsies in the future as well. The shortened innovation cycles and the combination of various imaging processes to form multi-modality diagnostic systems currently are the key innovation topics. With our particular business model, we are ideally prepared for this strategy. It is based on four complementary elements of interdisciplinary team competence, a global network of experts, technological advances and strong industry partnerships.

Our corporate strategy is geared towards enabling us to become the world's leading independent producer and provider of specialized software applications for image-based early detection and diagnosis of epidemiologically significant diseases as well as image-based support of surgical procedures and other image-based therapy methods. In developing our software applications, we always make an effort to realize the highest medical benefits achievable. To us, this means making a targeted, measurable contribution to image-based medical treatment at the interface of medical diagnostics (requirements of deployment in clinics) and medical technology (imaging modalities) for the benefit of both the patient and the medical professional. In specific market segments such as digital mammography, MRI-based breast cancer diagnosis and biopsy, we have already achieved leading positions on the world market together with our industrial partners Hologic, Siemens and Invivo. We plan to continue these marketing successes in other fields of activity in future.

The conversion effective January 1, 2009 of the research institute MeVis Research GmbH into an institute of Fraunhofer Gesellschaft will contribute to broadening the basis of our group's research activities even further. In this connection, research capacities at Fraunhofer MEVIS – Institute für Bildgestützte Medizin – are planned to double over the next several years. This will make Bremen one of Europe's leading research locations for image-based medical diagnostics.

The global economy was impacted by unusual turmoil in the financial and real economic sector, which also had an adverse effect on our business activities at the end of the year. While we again managed to boost our sales revenues in the fourth quarter of the year under review compared with the same quarter a year earlier, growth remained significantly lower than we had originally expected. In the financial year as a whole, group sales accordingly rose by only 37%, to € 10.8 million. The positive consolidation effect that arose through the full takeover of the business with Hologic from our joint venture with Siemens (MeVis BreastCare) in November 2008, was relatively low in 2008 due to the year-end timing of the consolidation (November 1, 2008).

The digital mammography segment remains the primary sales revenue driver in the group. Due to the full integration of the business division with our industry partner Hologic, the segment will be reinforced even further in future. We once again delivered proof of our technology leadership in this market segment with the latest development of specialized software applications for Siemens and Hologic. Segment revenues in the last financial year came to € 6.9 million (previous year: € 5.6 million). In the course of the financial year 2009 we anticipate additional sales revenue impetus thanks to the new products and the full consolidation of the Hologic business.

The increased license revenues in the segment of other diagnostics aptly reflects the highly dynamic growth of our group. In 2008, this led to a substantial 68% surge in sales revenues, to approx. € 3.9 million. In particular, this documents the success of our industry partnership with Invivo, which has led to the market-leading position of the DynaCAD® software platform for MRI-based computer-aided detection and breast biopsy planning.

While we had already achieved the previous year's total annual sales revenues in the first three quarters of 2008, the fourth quarter was essentially impacted by two adverse effects. First, we had to contend with unexpectedly high declines in sales revenue growth at the end of the year due to subdued investments by clinical end-customers in the U.S. market. Secondly, our results were impacted by high non-recurring expenses in the fourth quarter, which arose in connection with the integration of the Hologic business under company law. Because of this, we incurred an operating loss in the 4th quarter.

In addition, the change in the disclosure of foreign currency influences had a significant impact on our earnings. In the past, we used to report foreign currency gains and losses under operating income and operating expenses, respectively. This resulted in an adverse effect on the meaningfulness of the operating result and on the operational management of the group. Accordingly, fluctuations on the foreign exchange markets had both a positive and negative influence on EBIT. To improve corporate transparency in this segment as well, the Excecutive Board decided to report foreign currency gains and losses under net financial income from financial year 2008 onwards. The figures for 2007 were adjusted in line with the new presentation in order to ensure comparability. As a result, for the financial year 2008 as a whole, EBIT amounted to as little as € 0.7 million (previous year: € 0.8 million). Without this disclosure policy change,

we would have reported an EBIT of approx. € 2.0 million (previous year: € 0.5 million). This would have resulted in an EBIT margin of 18% (previous year: 6%). With the new disclosure policy, however, the EBIT margin saw a corresponding decline to approx. 6% (previous year: 10%), which does not reflect our expectations of the profitability of the MeVis Group for the last financial year.

In contrast, net financial income increased to approx. € 2.0 million in 2008 (previous year: € -0.3 million). Foreign currency factors made a positive contribution of approx. € 1.3 million on account of the disclosure change. Furthermore, net financial income was influenced by the increase in cash and cash equivalents following the IPO. At the end of the year, we had approx. € 15.3 million in cash & cash equivalents (previous year: € 28.5 million), a comfortable financial cushion to realize our planned growth, as in the past. Moreover, a further € 5 million was invested in a securitized borrower's note loan that extended beyond the balance sheet date and is therefore not included under this item. Thanks to the repurchase of own shares, at the end of the year we had a total of 6% in treasury stock available for future acquisitions.

Consolidated net profit for the year after taxes rose to roughly € 2.1 million (previous year: € 0.1 million), which corresponds to earnings per share of € 1.21 (previous year: € 0.17).

The global economy will continue to be shaped to a decisive degree by the consequences of the global financial and economic crisis. A series of early indicators show that the general economic conditions may escalate further. For specific industry segments, substantial declines in production and trade have already been reported to some extent. This may constitute a further burden on the sales markets of our industry partners in the current financial year. We have taken various precautions, including concretely planned measures, to hedge corporate risks in consequence of a global recession. Nevertheless, we anticipate an exceedingly difficult financial year 2009.

The size of the workforce of the Group expanded to 232 employees at the end of the financial year. We are delighted to have a highly qualified and motivated team – with whom we will be able to realize our common vision of medical benefits through the deployment of our software applications.

At this point, we would like to thank all employees for their exceptional performance as well as our business associates, customers and shareholders for their confidence.

Dr. Carl J. G. Evertsz
CEO

Christian H. Seefeldt
Member of the
Executive Board

Thomas E. Tynes
Member of the
Executive Board

Our contribution to medical imaging

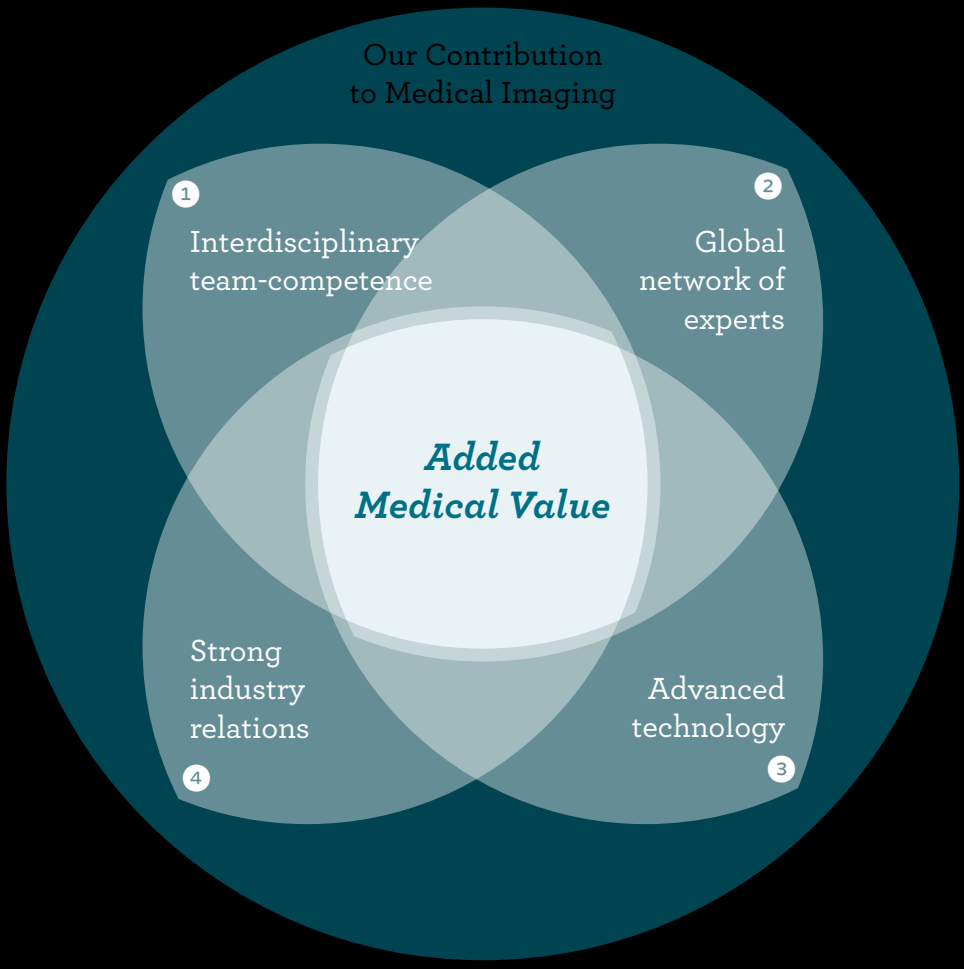
For over ten years now, the MeVis Group has been engaged in research, design, development, and marketing of innovative software solutions for medical imaging. Using MeVis software applications, physicians are able to obtain efficient and reliable evaluations of a broad array of image data derived from different imaging modalities. In this way, MeVis software solutions make a direct contribution to the early detection of epidemiologically significant cancer dieseases such as breast cancer. Our clinical orientation is determined in the light of epidemiologically significant illnesses with a focus on early detection, diagnostics, therapy and aftercare for disorders of certain organs. In addition, MeVis provides support for surgery and biopsies. In the breast cancer segment, the MeVis Group's extensive breast care applications have attained global market leadership in individual areas with the support of the Company's industry partners. Breast cancer is the world's most frequent type of cancer in women. MeVis is able to use the expertise gained in this area to broaden its software applications to include other epidemiologically significant diseases such as cancer of the lung, prostate and colon as well as neurological disorders step by step. The approach that we take to medical technology is based on various machine-aided examination methods which supply multi-dimensional images of organs, structures and processes within the human body for diagnosing illness-induced changes. This particularly includes X-ray-based processes such as computed tomography and digital mammography and methods like magnetic resonance imaging, which are based on the combination of strong magnetic fields and electromagnetic alternating fields, as well as ultrasound-based digital sonography. They are supplemented by more recent imaging processes such as positron emission tomography (PET), sono-elastography and molecular imaging.

Systematic orientation to enhancing the medical value chain

All MeVis software applications are designed to increase added medical value. MeVis' core competence lies in the support which it provides for diagnostics, surgery and biopsies as well as the monitoring of therapy progress. It has defined four strategic business segments of key epidemiological significance to specifically enhance this medical value chain. Since the end of 2008, it has additionally being supplying software solutions for the automated detection of solitary pulmonary nodules and lung emboli as well as for preoperative planning of neurosurgery in addition to its internationally successful products for the early detection and diagnosis of breast cancer and the preoperative planning of liver surgery (e.g. for live liver transplants). The new business segments also focus on oncological disorders. In addition, all MeVis products specifically contribute to enhancing clinical workflows. Our products unlock this added value in medical imaging as we are able to integrate the valuable impulses which we receive from our network of medical experts in the development of our software applications for physicians.

Mission Statement

To be the world's leading independent manufacturer and supplier of specialized software applications for the image-based early detection and diagnosis of epidemiologically significant disorders and to provide image-based support for surgery and other intervention as well as therapy.



Our business model comprises four complementary elements.

①

Employee qualifications

Interdisciplinary team-competence

As of December 31, 2008, MeVis had 232 highly motivated and trained employees with a multidisciplinary profile of qualifications. In addition to IT experts and engineers, they include mathematicians, physicists, other scientists and medical experts. The international team comprises people of 14 different nationalities, around 84% of whom are university graduates. Some 13% of MeVis' staff have doctorates. In this way, the MeVis Group is able to cultivate an extraordinary pool of expertise which includes specific experience in medical diagnostics, various imaging processes, clinical workflows, digital imaging, medical licensing procedures, OEM industrial standards and the optimization of mathematical algorithms used in software development. In 2008, MeVis increased its Group-wide headcount from 113 to 232. This unusually strong organic growth was required to complete development of the new products using its own internal resources within the defined time-to-market period. At the same time, this heavy influx of new staff made considerable demands of the Company's organizational structures and culture. For this reason, MeVis defined clear quality targets binding on all staff as part of its quality management efforts in the year under review. Under these targets, top priority is given to patient safety and the best possible care. Accordingly, MeVis is certified according to EN ISO 13485:2003 + AC 2007 for the development, production and final examination of diagnostic software for analyzing radiological image data and services for the evaluation of medical image data. This guarantees uniformly high enterprise-wide quality in all development and production processes.

②

Global interdisciplinary network of experts

Global network of experts

The MeVis Group has been a leading innovator in the market segments which it addresses for many years thanks to its software applications. Its strong scientific roots are reflected in the top-ranking research center Fraunhofer MEVIS (formerly MeVis Research), via which it has access to a global network of experts at over 100 scientific and research institutes in medical research and technology. In addition, the network also comprises many experts from other areas of specialization. From a very early stage, the MeVis Group played a crucial role in innovative international projects and, working with industrial partners, was therefore able to materially advance technological progress in software applications for use in the image-based early detection and diagnosis of breast cancer. This resulted in close partnerships with leading European institutions such as Radbound University Nijmegen through international projects funded by the EU and the German Federal Ministry of Education and Research (SCREEN, SCREEN-TRIAL, HAMAM, etc.). Today, Europe is at the vanguard when it comes to diagnostic systems for digital mammography.

Technological lead

Proprietary application platform

The software applications which are developed at MeVis must satisfy a large number of different medical requirements, depending on how they are ultimately used, and are integrated in many different ways in clinical workflows. Despite this, all software applications in image-based medicine share a common core of basic functions which are also required for a large number of MeVis products. Examples include the ability to retrieve patient and study data from an archive and to display it on a screen, interactive navigation of the image data, the addition of markups to image data and simple geometric calculations on the images. These basic functions are required regardless of the specific medical application and are provided by the MeVisAP application framework. MeVisAP is a platform which can be extended with the addition of specific functions to implement a specific medical software application. In addition to the aforementioned basic functions for retrieving and displaying patient and image data and for recording diagnostic information, MeVisAP also provides core software components for storing and distributing data in a client/server environment, automatic preprocessing of image data, communications with other servers in accordance with the DICOM standard as well as memory and resource management, etc.

As these functions are implemented on a shared platform, it is possible to substantially speed up the development of new software products as a large part of the functions are already available and do not have to be developed separately for each product. In this way, we are able to preserve our technological leadership in our strategic areas of business despite ever shorter innovation cycles. As well as this, components developed for one product can also be used in the development of other products – including those targeted at another business segment – via this platform, thus avoiding parallel development and allowing synergistic benefits to be systematically harnessed.

Proprietary development environment

In addition to the basic functions provided by MeVisAP, complex medical software products make substantial use of innovative algorithms developed in the light of the medical questions involved together with image processing, analysis and visualization methods as well as specific clinical workflow requirements. To develop such methods, MeVis has created the MeVisLab research and development environment. MeVisLab enables rapid prototyping, i.e. the ability to swiftly implement prototype software applications targeted at the specific medical application so that the methods and processes which have been developed can be trialed, evaluated and optimized in a clinical setting. For the efficient realization of new methods MeVisLab contains a powerful base library for image processing and visualization. By means of simple graphic programming, it is possible to combine such newly developed algorithms with numerous existing modules and to trial them in different settings.

Shorter innovation cycles

MeVis is currently working on a combined version of MeVisLab and MeVisAP to port the methods and algorithms developed using MeVisLab to innovative software products. With the combination of both platforms, it will be possible to integrate MeVisLab modules and module networks in products implemented using MeVisAP as a basis within a short time frame. This model of dynamic integration of product research and development will result in significantly shorter development and innovation cycles.

④

Strong industry partnerships

Strong industry partnerships

The MeVis Group owes its leading market position to the successful long-standing partnerships with leading international industry partners. Under this so-called OEM sales model, MeVis' software applications are sold under the name of the industry partner who is normally also the manufacturer of the equipment required. Siemens AG, Hologic, Inc. and Invivo Corp. (a Philips company since 2006) have been key industry partners over many years. These partners are generally also the manufacturer of the imaging equipment. Thanks to close collaboration in the development of new imaging processes, e.g. automated full-field ultrasound examinations or digital tomosynthesis of the breast, market access for the new software applications is achieved in good time. At the same time the industry partners' established market position ensures that MeVis is able to achieve a critical sales volume shortly after launching new products. Internal conflicts of interests are avoided by means of a strict separation of the individual partnerships within the Company. By defining strategic business areas, it is easier to structure the development and sales of software applications together with the applicable industry partner to optimum effect. The systematic incorporation of the global network of experts right from the beginning of product development frequently gives rise to win/win/win situations for the clinical endusers, the OEMs concerned and MeVis.

Digital Mammography
Supplementary Imaging Modalities

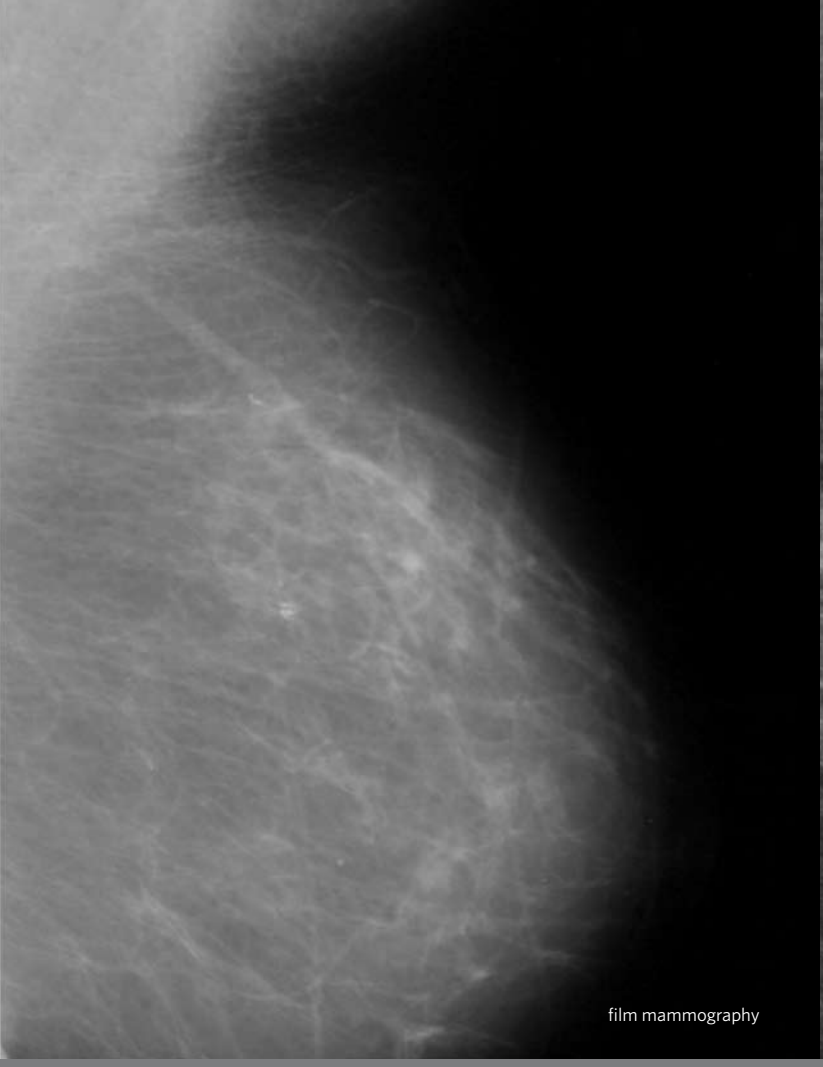
Breast

The MeVis Group's extensive breast care applications for the early detection and diagnosis of breast cancer and for supporting biopsies are fitted to the diagnostic software platforms supplied by the Company's industry partners Siemens, Hologic and Invivo. As a result of these cooperations, MeVis has achieved a globally leading market position in individual segments. Applying a multi-modality approach, MeVis integrates the latest technological innovations currently available for diagnostic imaging in order to further heighten medical value.

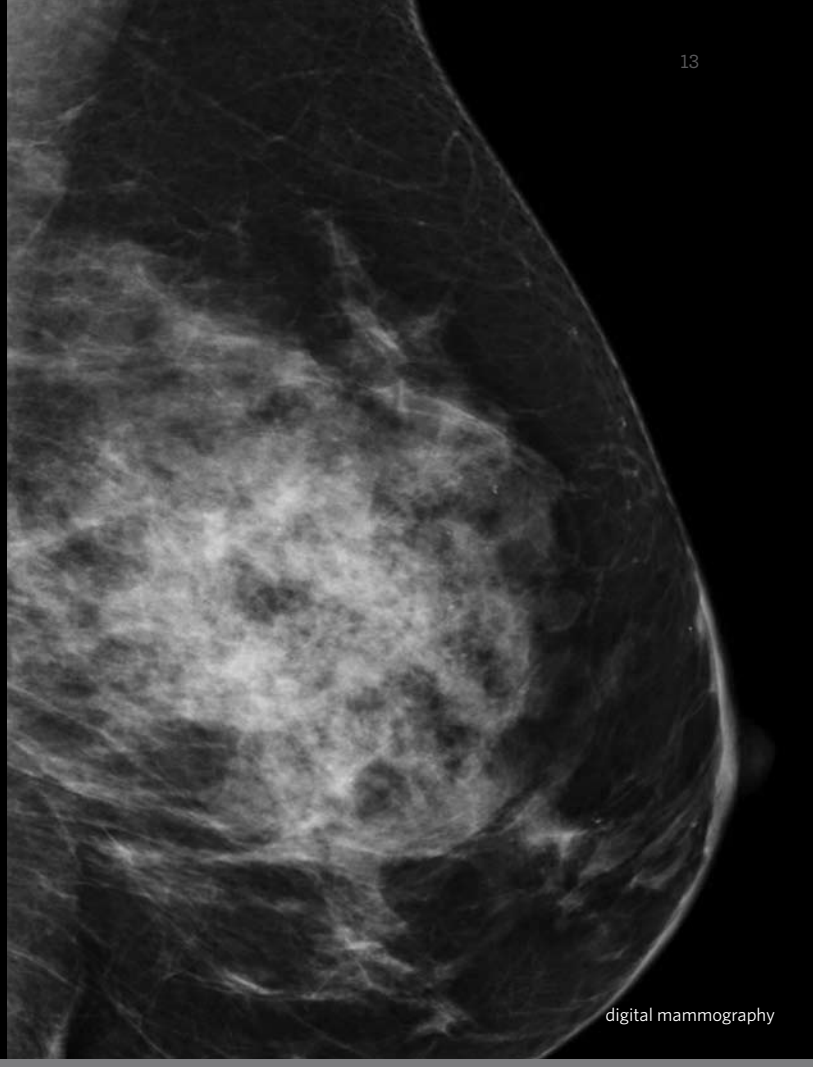
Breast cancer

There are many different kinds of benign and malignant tumors in the human mammary glands. The breast carcinoma (breast cancer) is the most common malignant tumor. It is primarily found in women but may also affect men in rare cases. The declared aim of medical treatment is to heal the cancer and also preserve the afflicted breast and, thus, the patient's quality of life. The risk of breast cancer rises with age, particularly after the age of 50 years. According to the American Cancer Society, breast cancer is the world's most common malignant tumor. The number of new incidences of breast cancer per year thus exceeds the number of new reports of lung cancer, which is the most frequent form of cancer in men. In 2007, a total of 1.3 million women were diagnosed with breast cancer worldwide (equivalent to 10.6 % of all new incidences of cancer). However, there is considerable regional variation in the global number of new incidences of breast cancer reported. This is partially attributed to differences in the extent to which wide-spread mammography screening is available for the early detection of breast cancer. Most new incidences are registered in North America, Australia and Northern and Western Europe, where the penetration of broad-based mammography screening programs is the greatest. Therapeutic options depend on the stage reached by the illness but generally entail an operation. The medical procedure is materially based on experience gained from studies and is standardized in globally acknowledged guidelines.

Clinical studies have demonstrated that the chances of healing cancer are very good in the case of early diagnosis and therapy. The size of the tumor is a decisive factor in the success of the therapy. However, early diagnosis of small malignant tumors is difficult as breast carcinomas do not always exhibit symptoms in their early stage. Even when they reach an advanced stage, they are not regularly accompanied by any symptoms. However, once the carcinoma has reached a palpable size, therapy becomes considerably more difficult. On the other hand, the probability of survival is very high in the event of early diagnosis. In addition to a clinical examination and biopsies, diagnosis primarily relies on various imaging modalities. In this regard, mammography plays a crucial rule in early detection. This is a special X-ray examination of the breast providing a proven method of identifying tumors, even when they are non-palpable. Mammography is currently the world's most frequently used imaging modality for the early detection of breast cancer. To date it offers the greatest efficacy and efficiency in early detection of breast cancer, especially for women over the age of 40.



film mammography



digital mammography

Ever since the publication of study results regarding the diagnostic advantages of digital vs. film mammography in the New England Journal of Medicine in 2005, the superiority of this technology is widely acknowledged.*

*The New England Journal of Medicine, October 27, 2005 (Vol. 353 No. 17), Pisano et altera: Diagnostic Performance of Digital versus Film Mammography for Breast-Cancer Screening

Mammography

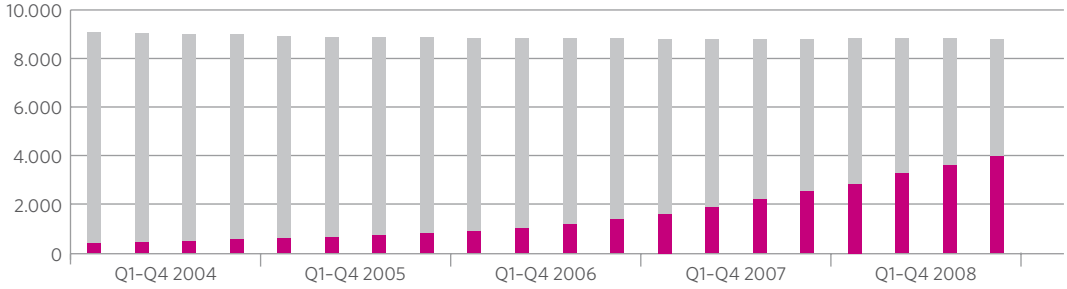
Mammography screening

In Europe, a mammography screening process has been introduced to systematically encourage early detection of breast cancer. The first screening programs were launched in the early 1970's in Sweden, the Netherlands, and Finland. Ever since Europe has been leading in quality-assured – initially film-based – mammography screening. Right from an early stage, the MeVis Group has recognized the necessity and relevance of a technology transfer towards digital mammography for these screening programs. Two important EU-projects – SCREEN and SCREEN-TRIAL – were realized from 2000 through 2004 on the initiative of MeVis aiming to accelerate the digitalization process of European screening programs. SCREEN was an EU-funded project implemented in 2001 and 2002 in which MeVis worked with leading breast cancer experts from six European countries and with industry partners to develop and test a digital prototype system for screen-based diagnostics for mammography screening. Also funded by the EU, SCREEN-TRIAL was the follow-up project at selected European locations in Germany, Italy, the Netherlands, Norway, and Sweden, which introduced digital mammography equipment to the screening programs to examine the quality of digital screen-based diagnostics from 2002 to 2004 for use in practice. The Bremen model project for the introduction of mammography screening in Germany, which was the first of its kind, was also initiated and planned by the MeVis Group. The favorable experience gained in the field ultimately prompted the decision by the German parliament in June 2002 to launch a nationwide quality-assured mammography screening program.

Digital mammography

With digital mammography, a digital image of the breast is produced and stored on a computer, whereas analog mammography creates an image on a photographic plate and is viewed on a film. Diagnostics are performed on the computer screen. Initially, the main advantages of the digital method are the unrestricted scope for transmitting and storing image data as a basis for optimizing clinic workflows. The core advantage with respect to medical diagnostics is the fact, that more image information can be acquired by digital detectors, and the ability to process image data digitally, e.g. by adjusting brightness, contrast and CAD functions, etc. as a basis for closer medical analysis. In this way, software-based innovations can be implemented on an ongoing basis to improve the diagnosis of breast cancer.

The following diagram shows how digitization has progressed in the United States in the past five years:



Certified facilities without/with full-field digital mammography units – Source: U.S. Food and Drug Administration

Ever since the US Food and Drug Administration (FDA) approved the first digital full-field mammography system in 2000, this method with its improved ability to detect and diagnose breast cancer has enjoyed a global surge in popularity. According to the FDA, around 44% of the total of 8,820 certified mammography facilities were fitted with digital equipment at the end of 2008. In this regard, the United States is the world's largest and most important market.

MeVis software for digital mammography

MeVis software applications for digital mammography are fitted to the software platforms, which are distributed by the Company's industry partners Siemens Aktiengesellschaft and Hologic, Inc., together with their imaging equipment. These diagnostic workstations are computers used by physicians, thus forming the interface between the imaging device and the medical expert.

Systems running MeVis software applications are in use all around the world. As of the end of 2008, Siemens and Hologic had sold a total of over 5,000 licenses for such systems. As a result, MeVis has become one of the world's leading producers of software for the early detection and diagnosis of breast cancer by means of digital mammography. Over the last years, three of five screening regions in Denmark – among them the two most heavily populated regions – opted for the area-wide use of Siemens syngo MammoReport. The market success is, for example, also reflected by the fact that Hologic has provided all mammography systems for the Dutch mammography screening program.

"Our many years of experience with the MeVis Group - which also includes joint participation in international research projects - have already produced many outstanding improvements in the early detection of and diagnostic support for breast cancer. Over the past ten years, the ongoing combination of medical and technological expertise has led to steady improvements in software solutions for digital mammography for the benefit of many patients."

Prof. Dr. Ulrich Bick, Charité Berlin, Deputy Director of the Institute of Radiology, Berlin, Germany

Product definition and development is handled in close consultation with the industry partners in ongoing parallel product development cycles which are quality-assured in accordance with DIN ISO 9001 and 13485. The two industry partners are looked after by different teams. Thanks to this strict key-account management it has been possible for many years to specify, develop, test, release, manage and enhance completely separate software applications for each industry partner. Following the detachment of the business relations with the two companies at the corporate/legal level in 2008, collaboration will be further facilitated in the future. The software applications are sold under the trade names of the respective Siemens and Hologic diagnostic workstations.

Digital Mammography
Diagnostic Workstation

syngo MammoReport

MeVis supplies the reading and reporting software for Siemens' syngo MammoReport breast care workstation. syngo MammoReport is a dedicated high-speed breast care workstation for reading and reporting mammograms with high throughput for workflow optimization and is thus suitable for use in mammography screening as well as diagnostics.

Among other things, the system can be integrated in a CAD-based workflow. Computer-aided detection (CAD) is an innovative area, which is set to grow significantly over the next few years. CAD technologies help physicians to concentrate on structures requiring more detailed assessment.

Workflows can be configured manually and managed using a special keypad. In this way, frequently required functions are available at the press of single buttons. This not only optimizes workflows but also enables the user to become acquainted with the system more quickly and more easily. In addition, numerous special features help to ensure efficient clinical deployment in the reading and reporting of digital mammograms. Thus, for example, it is possible to immediately access all image data (8 mammograms in less than 1 second).

In addition to digital mammography, syngo MammoReport can also read and compare images captured using other imaging methods such as ultrasound or magnetic resonance imaging.

"Compared to analog, high volume reading with the syngo MammoReport breast care workplace is less tiring. All in all I believe that Siemens digital technology will help us detect more cancers than before."

Dr. Ingvar Andersson, Chief Radiologist, Malmö University Hospital (UMAS), Malmö, Sweden

Digital Mammography
Diagnostic Workstation

SecurViewDX™

In addition, MeVis supplies reading and reporting software for Hologic's SecurViewDX™ diagnostic workstation. Various features have been integrated in the software to enhance efficiency and reading precision. Examples include the ability to enlarge, shift and rotate images, to adjust brightness and contrast, and to add annotations.

The software can also handle image data collected by other mammography systems such as Siemens, General Electric, FujiFilm etc. As well as this, the system incorporates a CAD function which automatically detects and displays suspicious lesions. The software can incorporate previous mammograms of the same patient in the current setting, thus permitting comparative examinations over protracted periods.

The reading and reporting process can be individually configured in accordance with the physician's requirements. In particular, it is possible to freely select the sequence of images on the monitor. As well as this, the software offers a ReportFlow™ function for managing image sequence. By means of a separate button, it is possible to browse the images swiftly.

Alongside extensive support for digital mammography, the system also displays images captured using other methods on an additional color monitor. MeVis is currently integrating this multi-modality display in the reading and reporting software for SecurViewDX™ on the basis of the MeVisAP technology platform.

"There is a huge difference between what I refer to as first generation digital and second generation digital. Other digital breast images are not as impressive as what you get with the Hologic system."

Dr. Aron Belfer, Medical Director of Unidade Radiológica Paulista (URP) Diagnósticos Médicos, Sao Paulo, Brazil

Supplementary imaging modalities for diagnosing breast cancer

Magnetic resonance imaging of the breast

As with computed tomography, magnetic resonance imaging takes cross-sectional images. Technically, it involves the use of very strong magnetic fields and alternating electromagnetic and radio-frequency fields. In contrast to mammography, no X-rays (ionizing radiation) are used.

Magnetic resonance imaging of the breast is the most sensitive imaging process for detecting breast carcinomas and is particularly used when conventional methods (mammography or conventional breast ultrasound) provide ambiguous results. Magnetic resonance imaging is also used with women who have very dense breast tissue and those with breast implants. Most recently, breast MRI has been recommended as a screening technique for women who are at a higher risk for developing breast cancer, a known prior cancer – or women who carry the "breast cancer gene" (BRCA-1 or BRCA-2).

With this imaging modality, suspicious lesions are detected by identifying regions with heightened vascular formation activity. This requires the intravenous injection of a contrast agent during the MRI exam. The physician can then examine and evaluate the resultant images to determine the distribution of the contrast agent in the vascular system, gland tissue and particularly the tissue types afflicted by tumors.

Full-field breast volume ultrasound

Recent scientific research has shown that ultrasound provides a medically extremely valuable supplement to digital mammography particularly in the case of younger patients who typically have dense breast tissue, especially if they are at risk. Looking forward, the combined deployment of digital mammography and ultrasound will result in a further substantial increase in detection rates for non-palpable invasive breast cancer.

Using modern volume ultrasound, it is also possible to identify lesions which otherwise remain undetected in two-dimensional imaging processes. Volume images acquired with this modality provide the physician with information resulting from an additional plane which has previously not been covered by conventional technology. This coronal view of the breast additionally offers an important instrument in surgery planning.

Magnetic Resonance Imaging
Diagnostic Workstation

DynaCAD®

MeVis delivers software supporting the diagnostic workflow and intervention planning for Invivo's DynaCAD® workstation. The DynaCAD® system is used for contrast-enhanced magnetic resonance imaging of the breast and can be utilized with all magnetic resonance imaging equipment of the leading OEMs. DynaCAD® is a robust client/server application optimized for use in complex clinic environments.

In addition, it allows physicians to plan MRI-based biopsies of the breast reliably and conveniently through the graphic depiction of the instrument settings.

Using its own technological platform as a basis, MeVis commenced development of the DynaCAD® software in close collaboration with Invivo in 2003. Invivo started successfully marketing the system in September 2004 and has since achieved a substantial share of the global market in this segment. By the third quarter of 2008, global sales had exceeded 1,000 licenses. DynaCAD® software is undergoing constant further development and has established itself as the leading software solution for breast MRI analysis and interventional planning. The cooperation between MeVis and Invivo has provided the global markets with the most comprehensive breast MRI solutions available today.

"We have been DynaCAD users for about 2 years now (...) we have immediate access to the kinetic curves and 3D capability. It is quick and easy to use and it has been very easy to train new staff members on how to assess the images and feel comfortable with image manipulation."

Tova Koenigsberg, M.D., Montefiore Medical Center, Bronx, New York, USA

Ultrasound Automated Breast Volume Scanner
Diagnostic Software

Acuson S2000 ABVS

MeVis has developed the diagnostic software for Siemens' automated breast volume scanner ACUSON S2000 ABVS, which was unveiled at the beginning of March 2009 at the European Congress of Radiology (ECR) in Vienna. The new Acuson S2000 ABVS performs automatic, user-independent and fast full-field ultrasound breast scans.

By separating the data acquisition from diagnostics, it is possible to streamline clinic workflows, thus generating considerable potential for cutting costs and saving time, together with improved diagnostic quality. With this system, the physician can examine images for a large number of patients in a concentrated work flow at any time after the data has been recorded. As a result, the modality offers considerable potential for use in the early detection of breast cancer.

The intelligent hanging protocol implemented in the diagnostic software permits, for example, the freely configurable automated synchronization of image data, thus enabling earlier images of the same patient to be compared fast and reliably. The system supports the semi-automated production of diagnostic reports including BI-RADS capabilities. Developed by the American College of Radiology (ACR), the Breast Imaging Reporting and Data System (BI-RADS) is used to classify the results of mammography scans. If necessary, the lesions discovered can be grouped together and stored using a standardized data format in clinical PACS (Picture Archiving and Communication Systems), where they can be retrieved at any time.

"I think that automated breast volume scanning (ABVS) will become part of the standard breast care protocol in a few years time. The general trend in ultrasound is to separate image acquisition from analysis and reporting. In the future, images will be read by physicians at a workstation after the scans have been performed. We will have to wait and see where exactly in the diagnostic process the ABVS technique will have its place. Maybe one day it will develop into a new screening modality – we'll see how things develop over the next few years."

Prof. Dr. Uhlenbrock & Partner, St. Josefs Hospital,
Dortmund, Germany

Digital tomosynthesis

Digital tomosynthesis makes use of simple methods of conventional X-ray tomography. Although it shares some technical features with computed tomography, it is a unique three-dimensional imaging modality. During CT examinations, detectors form a 360 degree circle. By contrast, digital tomosynthesis uses a shorter rotation (e.g. 40 degrees), thus generally capturing a smaller number of images compared with computed tomography.

This relatively small depth of field is due to the lower number of images. Nevertheless, the original image data can be processed for three-dimensional diagnostics using a different set of algorithms to those utilized for computed tomography. Digital tomosynthesis shall expose the patient to substantially less radiation and simultaneously offers considerably greater image information than two-dimensional mammography. In this way, it provides an extremely good technological advancement of digital mammography in the diagnosis of breast cancer.

"We are very excited about tomosynthesis. It's an evolving technology that is bound to offer great diagnostic advantages."

Dr. Julianne S. Greenberg, MD., Director of Mammography for Washington Radiology Associates. Fairfax, Virginia, USA

MeVis software for the digital tomosynthesis function of the SecurViewDX™ diagnostic workstation

The MeVis software for digital tomosynthesis was released to Hologic in May 2008 and is available in Europe and some Asian countries. However, in the US market the product is still awaiting the necessary FDA approval. In non-US markets, the SecurViewDX™ diagnostic workstation is being supplied with the MeVis software for the digital tomosynthesis function.

The image data captured using the digital tomosynthesis equipment is processed so that it can be viewed by physicians both in the form of individual images and in a cine mode - similar to conventional tomography. This process is particularly useful in clarifying ambiguous mammograms as it also includes the three-dimensional aspect, something which is particularly important in the case of overlapping tissue or for identifying micro-calcification.

The medical advantage of this modality includes the fact that images can be produced with less compression on the breast than with mammography. In addition to easing the strain on patients during the examination, this also facilitates the detection of suspicious lesions. At the same time, it is possible to enhance the contrast in the three-dimensional depiction of the breast tissue. By using this system, unnecessary breast biopsies can be avoided.

Multi-modality approach to diagnostic imaging

Imaging-based diagnosis of breast cancer is currently in a transitional phase as a number of important technological innovations are in the throes of market launch. These include new imaging modalities such as automated full-field ultrasonic examinations or digital tomosynthesis of the breast, which have been specifically developed to improve the diagnosis of breast carcinomas.

However, these new processes must be synchronized reliably and on a sustained basis with conventional imaging modalities such as mammography, magnetic resonance imaging and 2D ultrasonic examinations of the breast. In medical terms, the individual imaging modalities are not competing alternatives but serve as complementary technology for physicians. Only combined diagnostics making use of all available imaging modalities can unleash the full medical value of these innovations. This multi-modality approach in diagnostic imaging thus offers considerable potential for a fundamental improvement in the early detection and diagnosis of breast cancer.

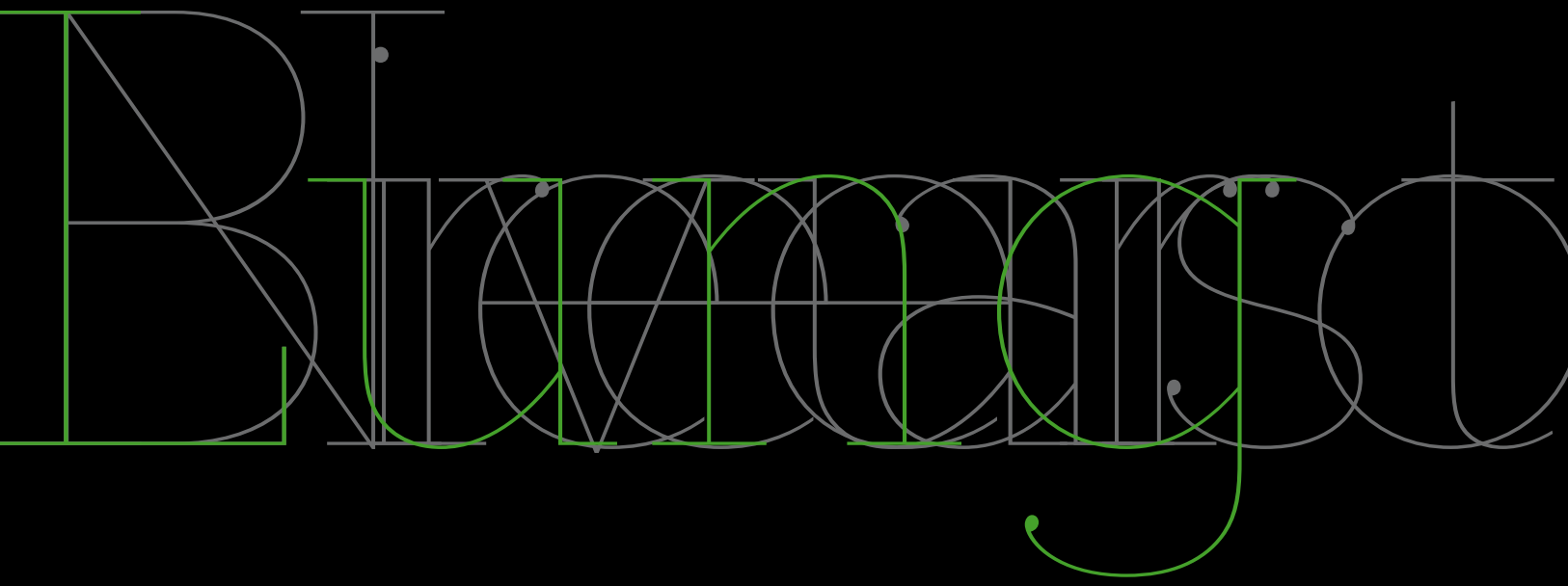
The MeVis Group together with Fraunhofer MEVIS has been researching and developing such a multi-modality approach to speed up the innovation process since the end of 2008 in collaboration with leading international partners in the international EU-funded HAMAM project. The purpose of this project is to provide resources for the seamless integration of all imaging processes and patient information in a single diagnostic workstation as a basis for developing a universal and configurable patient-specific diagnostic system for breast cancer.

In response to this challenge, the MeVis Group is working within this project with European technology centers for imaging modalities and leading European clinics specializing in diagnosing breast cancer. Whereas Fraunhofer MEVIS is a straight research partner in the EU project, MeVis Medical Solutions has assumed the function of industry partner and is responsible for implementing the results of the project in commercial viable medical products. On the basis of its own application platform, MeVis is currently integrating the multi-modality approach in its own diagnostic software for the Hologic SecurViewDX™ diagnostic workstation.

For many years I have appreciated the diagnostic advantages of Digital Mammography. Thus, I am happy that the MeVis Group has been an integral part of our annual international training seminar for diagnostic breast imaging in Erlangen since 2002. With its innovations in multi-modality imaging, MeVis will once again contribute to image-based diagnosis of breast cancer with a major quality improvement.

Prof. Dr. Rüdiger Schulz-Wendtland, senior physician, University Hospital Erlangen, Institute for Diagnostic Radiology

Visia™ ct Lung



MeVis offers the Visia™ CT Lung System, a computer-aided detection (CAD) system for the automatic detection of solitary pulmonary nodules and suspected pulmonary emboli. The System incorporates a powerful set of tools designed to improve diagnostic accuracy and workflow efficiency.

Diseases of the lung

The lungs (pulmo) are comprised of two separate halves, which in turn are made up of two lobes on the left and three lobes on the right and are positioned in the thorax where they are protected by the ribs and surround the heart. The lungs do not have any shape of their own; instead the surrounding structures (diaphragm at the bottom, heart in the middle, ribs on the outside and the trachea and esophagus at the top) leave impressions on the outer surface of the lungs. The lungs do not contain any muscles.

Disorders of the lungs constrain the breathing capacity – in some cases substantially. They are divided into two categories – either obstructive or restrictive disorders. In the case of obstructive disorders of the lung, the airways become narrower, limiting the passage of air and frequently resulting in shortness of breath. These include emphysema and chronic bronchitis. In contrast, restrictive lung disorders – such as pulmonary fibrosis, sarcoidosis, and lung cancer – impair the flexibility of the lungs, thus reducing their volume and compliance, i.e. their elasticity relative to pressure.

Epidemiologically, lung cancer represents the most significant form of restrictive lung disorder. According to the American Cancer Society, lung cancer is the world's most common malignant tumor in men and ranks fourth in the case of women. In 2007, a total of 1.5 million people were diagnosed with lung cancer (equivalent to 12.6% of all new incidences of cancer). Regionally, there is a particular concentration in North America as well as parts of Northern and Eastern Europe. Lung cancer is by far the most frequent cause of cancer-related death in men and the second most common in women.

Malignant tumors in the lungs may arise from the invasion of metastases from other organs or the body or originate in the lungs themselves. Only these tumors are referred to as carcinomas of the lungs or bronchial carcinomas in the narrow sense.

Computed tomography (CT) remains the primary radiological method for diagnosing lung disorders. Clinical examinations of lung function involving the measurement of breathing volumes and capacity are increasingly supplemented with quantitative analysis. The introduction of multi-detector CT has led to improvements in lung screening through enhanced imaging. As a result, it is possible to identify numerous anatomic details which can be segmented, quantified and visualized on a three-dimensional basis using computer-aided procedures. At the same time, however, the technological advances have resulted in a large increase in the number of images and, therefore, data volumes. In the case of patients suffering from lung function disorders, a CT study can easily lead to 300 separate images. Radiologists can no longer examine them and compare them with earlier records without technological support if they are to achieve reliable medical diagnoses with maximum clinical efficiency.

Visia™ CT Lung System

In April 2008, MeVis acquired the ImageChecker CT Lung CAD business from R2 Technology, a member of the Hologic Group, relaunching it in the third quarter under the proprietary brand name of Visia™ CT Lung System. MeVis also extended its existing strategic partnership with Invivo Corporation as new distribution partner in the US market.

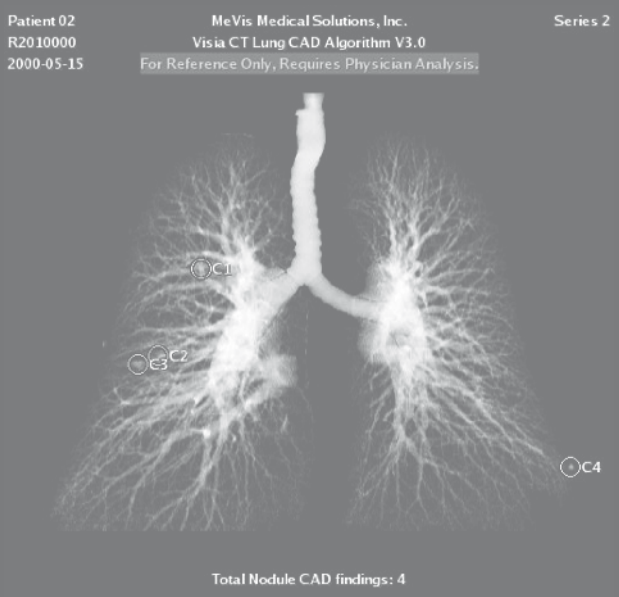
Visia™ CT Lung System is a highly specialized software system for the automatic detection of lung lesions and solitary pulmonary nodules in multi-slice computed tomography (MSCT) examinations. Computer-Aided Detection (CAD) assists physicians in the early detection of lung cancer. The software system is compatible with all major CT systems and can be easily integrated into existing IT environments. CAD results can be displayed directly on existing PACS workstations, optional Visia™ workstations or certain third-party workstations.

The Visia™ CT Lung System incorporates a powerful set of tools designed to improve diagnostic accuracy and clinical workflow efficiency. The additional software tools for analyzing pulmonary arteries (PE™) and monitoring the course of the illness as well as the success of the therapy (AutoPoint™) provide physicians with further valuable assistance. These tools utilize clean, user-friendly interfaces to simplify user interaction. The software has been approved by the FDA in the United States and the Medical Devices Bureau in Canada. ▸

Visia™
CT LUNG SYSTEM

Computed tomography
CAD-Software

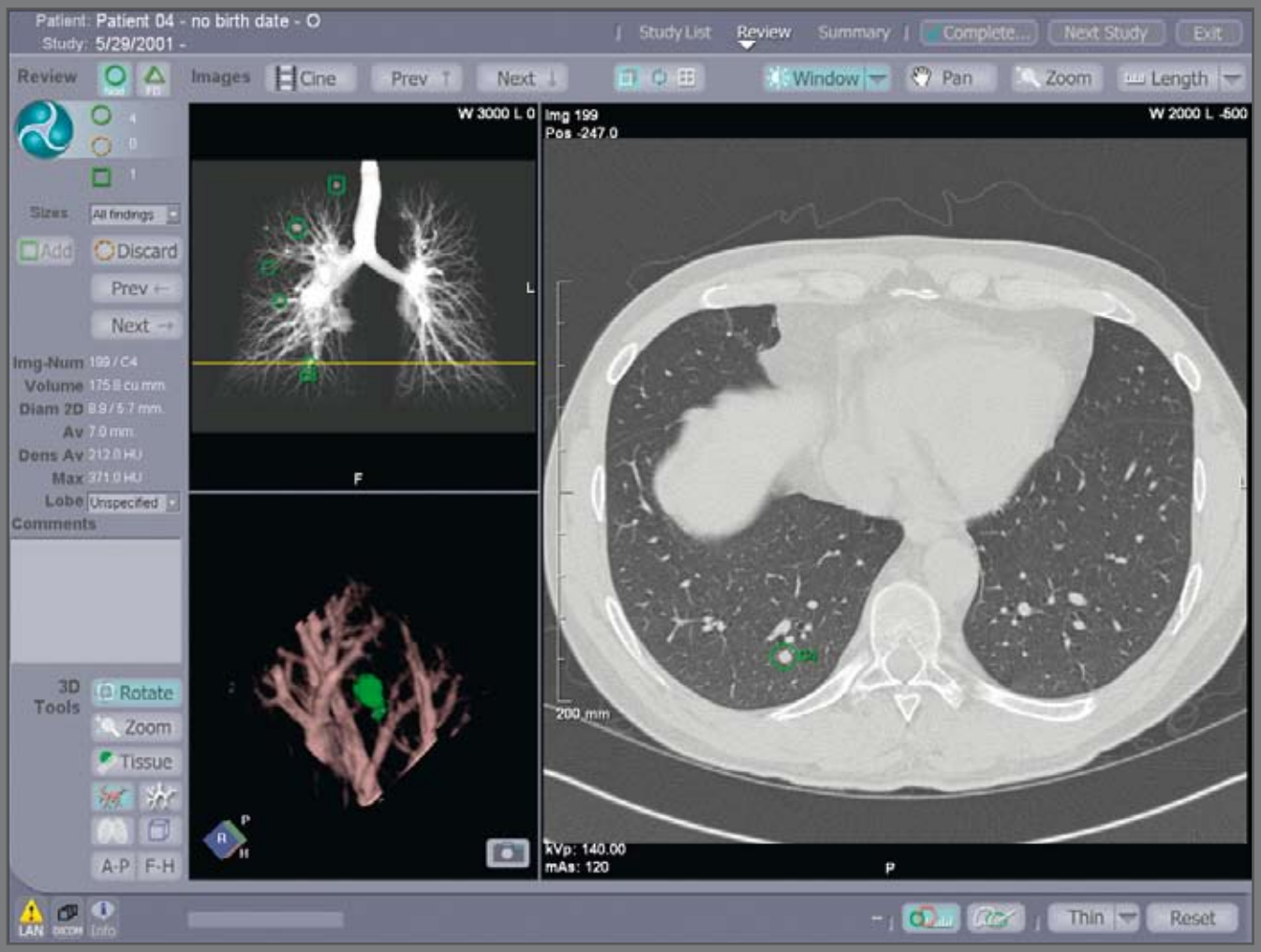
Visia™ CT Lung System



Automatic detection of solitary pulmonary nodules

CAD technology allows suspicious solitary pulmonary nodules (not only round or specially identified regions) to be automatically detected by means of clinically validated CAD algorithms which result in demonstrably improved reading results. In clinical studies, it was possible to detect up to 33% more suspicious solitary pulmonary nodules by using Visia CT Lung Software.

The software provides the radiologist with crucial diagnostic support required to handle the large volume of CT images.



Analysis of pulmonary arteries

The additional PE™ tool permits the automatic recognition of pulmonary emboli. The PE™ tool helps detect emboli or blockages in the pulmonary artery or any of its branches using a contrast agent. PE™ isolates the relevant CT data and calculates the artery diameter and the size of the embolism.

With this function activated, the system makes it possible to navigate suspected looking pulmonary emboli with the click of a mouse. The number of images containing embolism, percent blockage, and volume of the embolism are instantaneously calculated. The results and the corresponding images are automatically generated and displayed on the workstation.

Monitoring the course of the disease and success of the therapy

With the additional AutoPoint™ temporal comparison tool, the software reliably monitors the course of the disease and the success of the therapy. When this function is activated, it is no longer necessary to search hundreds of CT images to localize and compare pulmonary nodules. Current and historical CT examinations are automatically matched and compared.

AutoPoint™ automatically correlates current and prior studies using hundreds of three-dimensional anatomic reference points throughout the entire lung. The results support the calculation of time-based forecasts of changes in the size of the nodules. Change over time is an important indicator of the malignancy of a tumor. AutoPoint™ automatically calculates the time which it takes the nodule to double in size, as well as changes in diameter and average tissue density.

Development activities

Since the creation of the first prototype of MeVisPULMO3D in 2004, MeVis has been developing software for thorax radiology providing quantitative assessment and visualization of the lungs using CT. MeVis is currently working intensively on a 3D lung computed tomography system permitting even more precise monitoring of lung tumor development, therapy monitoring, presurgical planning, emphysema and fibrosis evaluation, and an analysis of disorders to the pulmonary vascular system. A comprehensive software suite is to be launched in 2010 for this purpose.

"Visia Lung CAD is fast, simple and an integral part of my reading routine. It's like a second pair of eyes reviewing each exam."

Dr. M. Kristin Thorsen, Waukesha Memorial Hospital, Waukesha, WI, USA

Distant Services

Planning

MeVis's preoperative liver surgery planning service is unrivaled anywhere in the world. Using the MeVis LiverAnalyzer it is possible to precisely calculate tumor volumetry and the vascular territories at risk. The heightened quality that this provides in the planning of surgery helps to substantially enhance the safety and the success of the surgical measures.

Diseases of the liver

Weighing some 1.5 to 2 kg, the liver (hepar) is not only one of the largest organs in the human body but also performs a wide range of different tasks. It plays a crucial role in the body's metabolism and also performs functions necessary for the storage and utilization of nutrients, synthesizes vital amino acids and regulates the immune system and hormone balance. The liver is located in the right upper quadrant of the abdominal cavity directly beneath the diaphragm and thus also has a central position in purely anatomic terms. It is fed with 28% of the blood supply and consumes around 20% of the body's entire oxygen.

The liver is held in a membrane capsule. Only this membrane has a dense network of fine nerves capable of reporting pain to the brain. For this reason, disorders of the liver frequently go unnoticed over a protracted period of time despite the fact that this organ is subject to a wide variety of different kinds of strain in modern life. Changed living habits leading to excess eating, alcohol consumption, greater exposure to toxic substances in the environment or extensive use of medicines are increasingly exerting strain on the liver. At the same time, it is exposed to the risk of a virus-induced inflammation known as hepatitis, which in its various forms has high worldwide epidemiological relevance. In addition, these chronic infections constitute a heightened risk for liver carcinomas.

Liver diseases comprise liver infections and carcinomas as well as chronic damage to the liver (e.g. fatty liver), which in its final irreversible stage turns into liver cirrhosis, a disease which afflicts around 250 out of every 100,000 inhabitants in industrialized nations each year. The liver is the second most frequent organ after the lymph nodes to be afflicted by the metastases caused by cancer in other parts of the body (generally colon, stomach, pancreas, lung or breast). 41% of all metastases occur in the liver. Assuming adequate therapy, the five-year survival rate is 20-60% depending on the primary tumor. The advances being made in new chemo therapies, local tumor therapy and improvements in surgical techniques are resulting in an increase in these rates. Primary liver cancer arises directly in the liver cells themselves. According to the American Cancer Society, liver cancer is the world's fifth most common malignant tumor in men and ranks eighth in the case of women. In 2007, a total of some 700,000 people were diagnosed with liver cancer (equivalent to 5.8% of all new incidences of cancer). Regionally, there is a particular concentration in Central and Eastern Africa as well as South East Asia.

Whereas ultrasonic examinations provide an excellent idea of the size and structure of the liver, computed tomography and magnetic resonance imaging permit a more precise view of the structure of the liver and its vascular system. Different treatments are possible depending on the nature of the disease. Many patients require surgery involving a partial hepatectomy or even a liver transplantation. In this connection, live liver donations play a key role all around the world. This entails, for example, the donation by a healthy member of the patient's family of part of his or her liver for implantation. This is possible because the liver is the only human organ with the exception of the skin capable of independent regeneration.

Because of the complex anatomy of the liver, pre-surgery planning calls for an exact diagnosis and particularly careful preparations. Thanks to the liver's ability to regenerate almost completely, it is possible to remove up to 70% of its volume depending on the patient's physical condition. The main problem in connection with a hepatectomy is avoiding damage to the complex vascular system supplying the liver with blood.

Conventional pre-surgery planning involves solely two-dimensional image data, e.g. the layered images from computed tomography or magnetic resonance imaging. During the operation itself, ultrasonic or X-ray systems are used to identify the vascular system after a contrast agent has been administered.

Distant Services

MeVis Distant Services segment offers clinical partners a service unrivalled anywhere in the world for the preoperative planning of liver surgery. For this purpose, the MeVis Distant Services (MDS) team under the management of medical director Dr. Nicholas Wendt provides surgeons with certain additional information which, depending on the patient, may cover the following aspects:

- Segmentation of the liver and its veins, arteries and the bile drainage system as well as possible tumors
- Quantitative volumetric information on liver donors and donees
- Individual calculation of the volume based on different sections of the vascular system
- Risk analysis for oncological resections in the light of safety clearances
- Preparation of virtual resection proposals based on the specific patient anatomy
- Comprehensive documentation including quantitative evaluation and 2D/3D images

The cross-sectional data is converted into 3D images by a specially trained team of medical/technical radiology assistants, allowing the surgeon to gain an idea of the liver together with the location of all structures. This involves the use of the MeVis LiverAnalyzer, which has been specifically developed by MeVis for this purpose and received FDA approval in 2005. The MeVis LiverViewer additionally permits the physicians to directly access the results and analyses in a clear graphic environment. The images generated using MeVis technology can be rotated on all planes and thus be adjusted in the light of the specific surgical requirements. Since the launch of this commercial service in 2005, MeVis has built up a global base of over 150 customers. During this period, the Bremen-based facility has completed far more than 3,600 risk analyses. ▶

Case study

Distant Services

The surgeon requests the service using a web-based form. As a matter of principle, MeVis guarantees to complete the full risk analysis within three days, although the customer may, if necessary, stipulate specific parameters with respect to the timing and content of the analysis. The procedure adopted for the risk analysis using MeVis LiverAnalyser takes account of these requirements and typically comprises five main steps.

1 Data import

The customer transfers the data via a secure Internet link. After the data has been examined and, if necessary, rendered anonymous, the images are imported into the analytical software.

2 Segmentation of liver contours and three-dimensional reconstruction - Step 1

The first step in three-dimensional reconstruction entails three-dimensional segmentation of the liver using the cross-sectional images. In some cases, this is done manually using a graphic tool box integrated in the screen to achieve greater accuracy.

3 Segmentation of tumor contours and three-dimensional reconstruction - Step 2

If a tumor is to be removed, the tumor boundaries are extracted from the image data to visualize it as a three-dimensional object.

1

2

3

4

4 Analysis and visualization of the vascular structures

Using the data provided on the various contrast agent phases, the vascular system is separated and visualized as three-dimensional objects. This is followed by the calculation of the territories dependent on the vascular system and the territories which are at risk following the severance of blood vessels as a result of the removal of the tumor.

5

5 Planning of proposed section sequence

Depending on the location of the tumor and the customer's specifications, the section is then planned. Once the incision has been defined on the graphics screen, the virtual cut surface is visualized. In this way, it is possible to calculate the liver volume to be removed or retained and to identify the parts of the liver which are at risk if important blood vessels have to be severed.

The customer receives specific information on the progress of the analysis via his user account and by e-mail. After the analysis has been completed, the results can be downloaded via a secure Internet link. Of particular advantage for the customer is the fact that the service is available anywhere in the world as all that is required is a simple internet connection. Thanks to the compression technology developed by MeVis, it is possible to transmit even very large volumes of data reliably so that allowance can be made for any specific factors in each customer's Internet infrastructure.

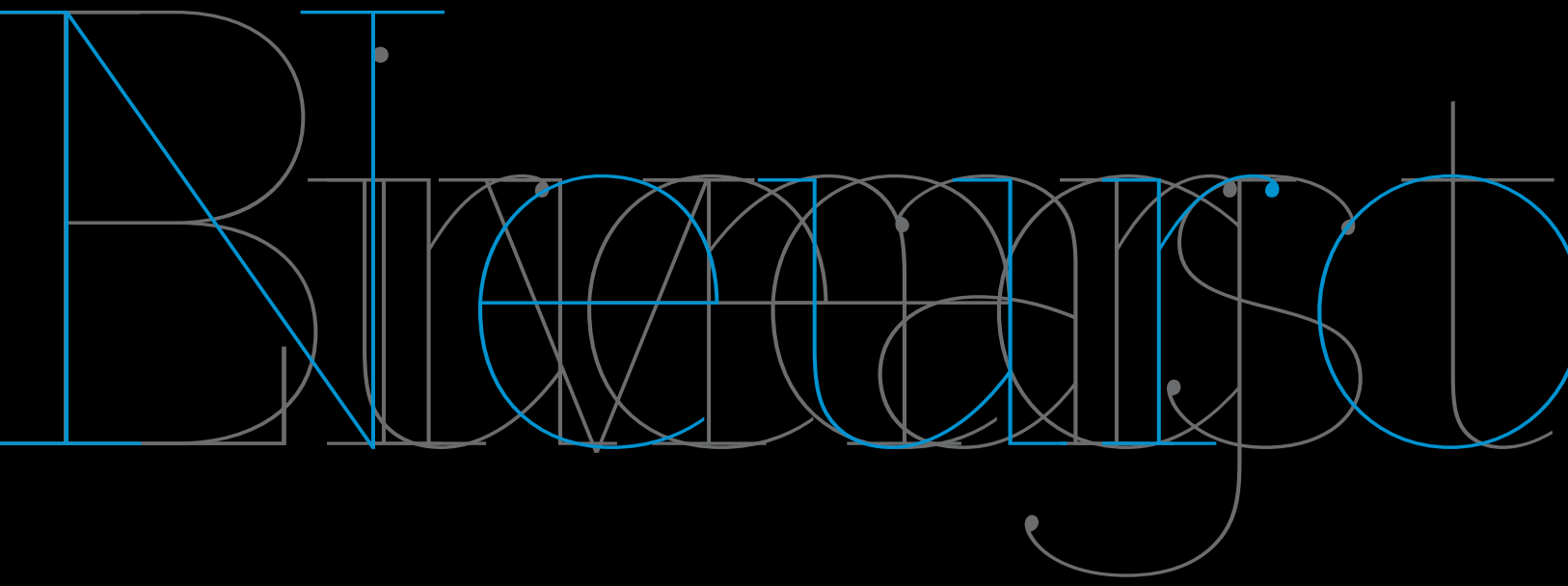
The heightened quality of preoperative planning substantially increases the safety and success rates of surgery. At the same time, unnecessary operations can be avoided, thus minimizing the strain on patients, while also allowing overall medical cost to be reduced substantially in such cases. Leading international liver surgeons regularly use this MeVis solution for their liver operations, over half of which entail live liver donations. This calls for exact planning of the liver to be taken from the donor so as to avoid any risks.

The services provided by MeVis are also suitable for operations to the pancreas and kidneys as well as for neurosurgery. Using the proven surgery and therapy support which MeVis has developed for liver diseases, it is also possible to identify functional units in other diseased organs, such as arterial supply areas to ensure that operations exert as little strain as possible on patients.

Services for the medical technology and pharmaceuticals industry

In addition to preoperative planning, precise tumor volumetry plays a crucial role in the success of the therapy if, for example, it is necessary to determine at an early stage whether the tumor is responding to chemotherapy. Thanks to the use of mathematic models, this can be achieved at a far earlier stage and with greater precision compared with the conventional manual method of calculating the diameter. This reduces treatment costs and enhances the relevance of the results. The use of this tumor volumetry is also suitable for clinical trials of new chemotherapies. MeVis has been working in this area with Sirtex Technology, Pty Ltd, Australia since July 2007.

Bone segmentation is a further potential application of the existing knowledge in the area of automated identification of different anatomic structures. Bone structures are extracted from CT images for Stryker Trauma GmbH, broken down into various anatomic sections (cortex, spongiosa, bone space) and measured. With this data it is possible to improve the design of implants for bone fractures (plates, screws). As well as this, particularly complex fractures can be viewed three dimensionally so that the surgeon can practice on a plastic model prior to surgery.



MeVis has developed an innovative clinical solution for diagnostic and treatment planning of brain tumors and other neurological disorders. The software combined with industry partner Invivo's DynaSuite Neuro diagnostic workstation can be easily configured to meet the physician's specific requirements, providing them with breakthrough magnetic resonance imaging tools.

Neurological disorders

The nervous system (Latin systema nervosum) is a network of specialized nerve cells that collect and process information inside and outside the organism.

In the human nervous system, special tasks are performed by up to several billion nerve cells (neurons) working together. Networked nerve tissue forms the basis of our nervous system and can be clearly distinguished from other tissue types. It is primarily found in the brain and the spinal cord but also along the intestines and in the retina of the eye.

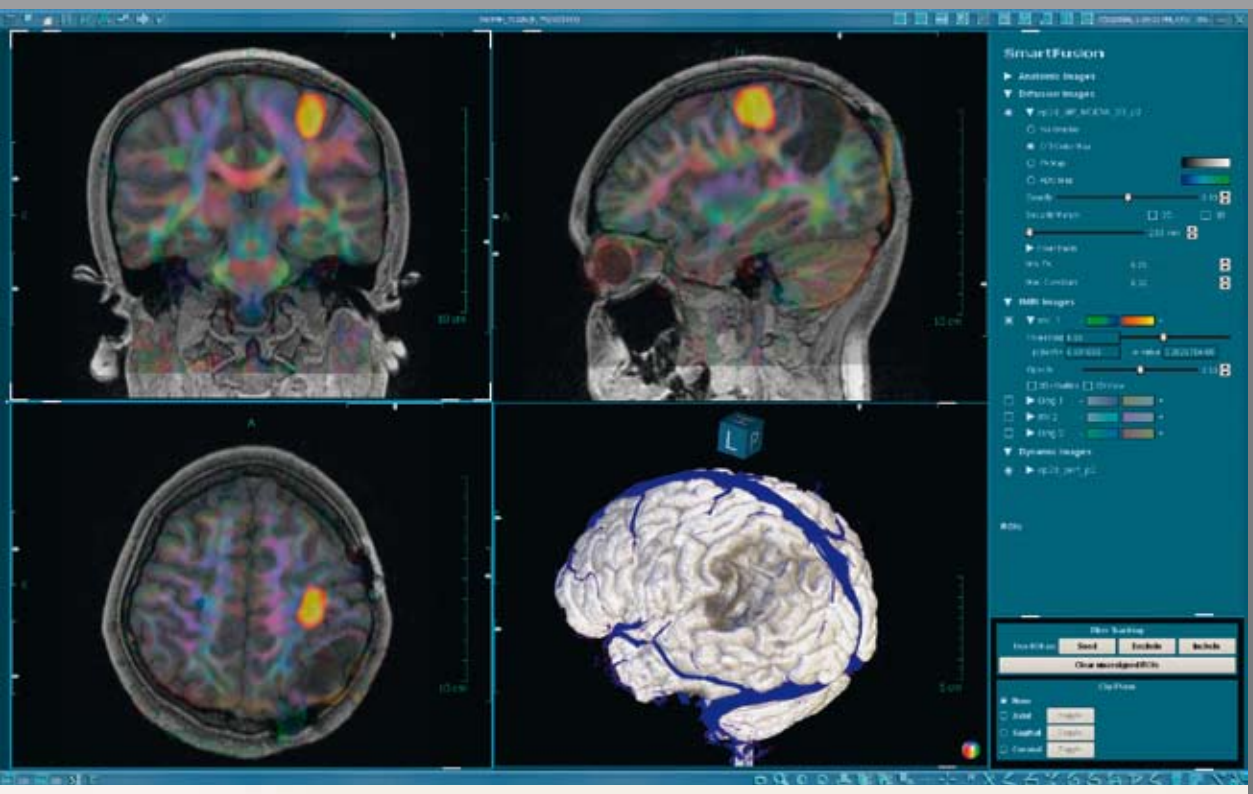
The brain (Latin cerebrum) is protected by the skull and is surrounded by the cerebral membrane. It is primarily comprised of nerve tissue and has particularly high oxygen and energy requirements even though it accounts for only two percent of the body's entire mass. Together with the spinal cord (Latin medulla spinalis), it forms the central nervous system which is responsible for coordinating all parts of the body. Disorders of the nervous system can be assigned to different categories, such as neurodegenerative illnesses (the ongoing loss of nerve cells, e.g. dementia) and brain tumors. Oncological disorders of the nervous system can produce a wide variety of different symptoms such as focal paralysis, epilepsy and psychological changes.

Brain tumors can be diagnosed using magnetic resonance imaging. Each of the available image sequences provides valuable insights about the tumor environment. By registering these sequences, it is possible to depict the brain in three dimensions. With this information, it is easier and more reliable for the clinical teams to diagnose and monitor the disease, and to choose treatment options at an earlier stage.

The type of therapy is largely dependent on the location and size of the tumor, the original tissue and the patient's overall condition. Typically, a combination of surgery, radiation and chemotherapy is selected. With surgery, it is necessary to consider the expected functional deficit caused by damaging or removing nerve cells. Therefore, it is important to distinguish the healthy brain tissue from a tumor to avoid injuring healthy tissue.

Magnetic Resonance Imaging
Diagnostic Workstation

DynaSuite Neuro



Customer-specific Layout fusing multiple imaging sequences for a quick, flexible and comprehensive neurological assessment (Smart Fusion).

The DynaSuite Neuro Workstation is an advanced MRI solution for rapid and repeatable diagnosis of MR Neuro images. DynaSuite Neuro has simplified time intensive MRI diagnostic analysis into a powerful, easy to use system for clinical use.

MeVis software for the DynaSuite Neuro diagnostics workstation

MeVis provides software for neurological diagnostics and treatment planning using the DynaSuite Neuro diagnostic workstation launched by Invivo at the end of 2008. DynaSuite Neuro provides innovative techniques related to neurological disorders for physicians in relation to magnetic resonance imaging. The system simplifies time-consuming diagnostic analysis in the clinical context and can be used with all magnetic resonance imaging equipment of the world leading manufacturers. At the same time, the MeVis software automatically processes the data and provides configurable layouts to meet the user's needs for visualization.

Many different imaging techniques are integrated into the product enabling the user to gain a full perspective of the neuro environment. For example, vessels can be seen rendered in the three-dimensional images as a valuable landmark for surgical intervention. Diffusion tensor imaging shows the change in the diffusion behavior of water molecules in tissue and represents nerve fibers. Using the fiber tracking options, critical cortical fiber tracts can be visualized and avoided during surgery. DynaSuite Neuro also includes functional magnetic resonance imaging. This technology provides the possibility, to assign individual regions of the brain to certain functions. With this method, the tissue surrounding the tumor can be analyzed during preoperative planning to obtain a source of crucial information on the possible loss of body functions prior to surgery. Looking forward, functional magnetic resonance imaging can be used for the diagnostic imaging of neuro-degenerative diseases as well. In addition, DynaSuite Neuro will be extended to create a spatial link with images derived using other imaging modalities, e.g. ultrasound or computed tomography, to enhance the diagnostic procedure.

"The ease of use, the intuitive control and the reliability of the data make using this system a joy."

Kevin Abrams, M.D., Medical Director of Neuroradiology & Magnetic Resonance Tomography, Miami Baptist Hospital
Miami, Florida, United States

Prostate

MeVis is currently developing an innovative solution for MRI-based prostate diagnostics. In doing so, it is harnessing the extensive experience gained in developing the software for the DynaCAD® diagnostic workstation. With the additional module for planning biopsies, the software application will reduce the number of targeted biopsies required to only between two and four, thus providing patients with considerably greater comfort during the procedure.

Colon

MeVis is currently developing a new software application for virtual colonoscopy. Using fast 3D surface visualization of CT imaging data, it is possible to “fly up and down” the colon in both directions. The newly developed software application seeks to render the examination for early detection of cancer of the colon safer for the patient, while accelerating the diagnostic process for the physician. This is achieved by means of a wide range of different characteristics such as real-time 3D visualization, the ability to display different views simultaneously, computer-aided detection of suspicious polyps and optimized integration in clinic workflows.

MeVis product launches

Research

Research & Development in the MeVis Group

The MeVis Group can look back on a long and unique tradition in the field of Research & Development. Since its inception at university level and subsequent spin-off in 1995, the founders headed by Prof. Peitgen have consistently focused on nurturing the scientific culture throughout the Group. Moreover, integration into a global network of experts calls for an ongoing effort to constantly revise and renew the scientific thinking of each and every individual employee. Based on this philosophy, the MeVis Group has established itself as a key driver for growth in its market segments at the very forefront of innovation.

For many years now, the MeVis Group has collaborated in various projects with cooperation partners from academia, clinical science and industry in carrying out research on new, innovative functions of medical imaging, which constitute the basis for future products.

Within the scope of these activities, the MeVis Group succeeded on several occasions in acquiring third-party funding from public bodies, such as Germany's Federal Ministry for Education and Research (BMBF) and from the European Commission. From 2008 to 2009, MeVis succeeded in raising € 1.3 million in third-party funding for two important research projects for a duration of three years.

HAMAM

As part of the "Highly Accurate Breast Cancer Diagnosis through Integration of Biological Knowledge, Novel Imaging Modalities, and Modelling" (HAMAM) project funded by the European Commission within the scope of the 7th frame-work program, MeVis carries out research into the possibilities of seamless integration of patient information and multi modality image data in a clinical workstation for improved diagnostics of breast cancer via medical imaging. In addition to established imaging modalities such as dynamic contrast-enhanced magnetic resonance imaging and mammography, the HAMAM consortium is also investigating recently developed imaging modalities such as the highly promising 3D-imaging technologies of positron emission tomography, automated full-field breast ultrasound scans and digital tomosynthesis.

In this project, the MeVis Group cooperates with seven of the leading European research institutes and clinics for breast cancer diagnosis such as the Charité Berlin, Radboud University Medical Centre (NL) and ETH Zurich (CH). The project is coordinated by the European Institute for Biomedical Imaging Research (AT) and supported by an international clinical advisory council consisting of globally accredited experts from Europe and the U.S.

DOT-MOBI

As part of the national research project "Software Platform for Multi Modality Diagnosis of Oncological Diseases and Therapy Optimization by Molecular Imaging" (DOT-MOBI) promoted and sponsored by the BMBF within a "Technology Initiative Molecular Imaging – 2008", the MeVis Group cooperates with the German Cancer Research Center (Heidelberg), Siemens AG (Erlangen), the University Clinic of Heidelberg, HIT GmbH (Heidelberg) and Fraunhofer ITEM (Kaiserslautern) in developing new software tools for cancer diagnosis and therapy. The DOT-MOBI consortium will combine software tools for the diagnosis and assessment of cancer based on image data of new molecular imaging modalities with innovative resources for planning, simulation and subsequent assessment of conventional and heavy ion radiation treatment in a consistent, software-supported clinical workflow.

The clinical software prototype is to enable information obtained through morphology, perfusion and tissue metabolism to be made available for therapy planning and enhanced efficiency and quality in the treatment of patients aiming at a more targeted therapy for oncological diseases.

The MeVis Group plans to continue its cooperation in the form of research projects with partners from clinical research, the academic sector and industry in the future. In the period under review, MeVis participated in the successful approval process for more than ten additional applications for funding submitted to national and European institutes. With its U.S. subsidiary MeVis Medical Solutions, Inc., MeVis plans to establish more resources for external research funding projects in the U.S.

Broadening of research base by Fraunhofer MEVIS

The Fraunhofer MEVIS – Institute for Medical Image Computing is one of the leading global and internationally networked research and development centers for computer-aided medical imaging. It follows a disease-oriented approach to resolving clinically relevant issues in image-based diagnostics and therapy. Fraunhofer MEVIS focuses on epidemiologically significant diseases of the cardiovascular system, the brain, liver and pulmonary diseases, as well as oncological disorders.

Within the MeVisLab development environment, some 50 computer scientists, physicists, mathematicians, engineers and physicians develop software assistants for clinical deployment for the purpose of efficient visualization and quantitative analysis of medical image data. Among the primary applications in the field of diagnostics are reproducible and automated quantification of anatomical structures and pathological processes. In the field of therapy, focal points include reliable risk analysis and planning of complex surgical activities as well as image-based radiotherapy planning.

The software assistants are developed by Fraunhofer MEVIS in close collaboration with a worldwide network of more than 100 clinical and scientific partners before being brought to product maturity by the commercial division of the MeVis Group and, as a rule, distributed via the globally operating industry partners from medical technology. In doing so, Fraunhofer MEVIS cooperates with all units of the commercial MeVis Group (MeVis Medical Solutions AG, MeVis Medical Solutions, Inc., MeVis BreastCare

GmbH & Co. KG and MeVis BreastCare Solutions GmbH & Co. KG). For this purpose, end-to-end innovation chains were established at Fraunhofer MEVIS and at the individual units of the MeVis Group, ranging from basic research all the way through to product development. Fraunhofer MEVIS has had a certified quality management system for medical products in place in conformity with ISO EN 9001 and ISO EN 13485 since 2005.

Fraunhofer MEVIS had its origins in MeVis – Centrum für Medizinische Diagnosesysteme und Visualisierung GmbH, founded in August 1995 by Prof. Dr. Heinz-Otto Peitgen, Dr. Carl J.G. Evertsz and Dr. Hartmut Jürgens as a non-profit associate institute of the University of Bremen. Until the end of 2008, the shareholders of MeVis GmbH (which was later renamed to MeVis Research GmbH) were the state of Bremen via an association known as Verein zur Förderung der wissenschaftlichen Forschung in der Freien Hansestadt Bremen e.V. and, from June 2007 to June 2008, they also included MeVis Medical Solutions AG. The establishment and subsequent research operations of MeVis Research were supported by the shareholders financially within the scope of a basic funding arrangement and, in terms of content, by a scientific advisory council composed of international experts.

MeVis Research gave rise to various commercially independent spin-offs with the objective of bringing prototype developments from the research stage to product and market maturity: MeVis Technology GmbH & Co. KG (1997), MeVis BreastCare GmbH & Co. KG (2001, a joint venture with Siemens AG), MeVis Diagnostics GmbH & Co. KG (2002, a joint venture with Medos AG) and MeVis Distant Services AG (2004). These units have meanwhile been condensed under the umbrella of MeVis Medical Solutions AG. Fraunhofer MEVIS thus constitutes the nucleus of the entire MeVis Group, which already received a large number of awards in the past, such as the Deutscher Gründerpreis in the category “Visionary” in 2006.

Following the conversion of the research center into an independent institute of the Fraunhofer-Gesellschaft at the end of 2008, a further important milestone was reached in the future development of the MeVis Group’s research basis. In doing so, the Institute Head of Fraunhofer MEVIS, Prof. Dr. Heinz-Otto Peitgen, created the foundations for a further extension of research capacities. The planned doubling of research positions within the next two years will make the MeVis location of Bremen one of the largest European research centers in the field of clinical software applications for medical imaging. In this context, the strategic partnership of the MeVis Medical Solutions Group with Fraunhofer MEVIS is to be intensified even further and extended to other forward-looking fields of research in future.

Selected Honors and Awards

1995

Certificate of Merit
ILABmed – A Multipurpose Diagnostic Support Workstation,
Annual Meeting of the Radiological Society of Northern
America (RSNA)
infoRAD Exhibit
Chicago, December 1995

1996

Multimedia-Award of the German Roentgen Society
MeVis – Computer support in the MR Mammography
77th German Roentgen Congress
Multimedia-Exhibition
Wiesbaden, May 1996

Bundesverdienstkreuz
Presented by Federal President Roman Herzog
H.-O. Peitgen
Berlin, October 1996

1997

Certificate of Merit
MeVis workstation for computer aided diagnosis
European Congress of Radiology (ECR)
Interactive Presentation
Vienna, March 1997

Certificate of Merit
MammaTrainer – An Education and Training System
for Radiologists
Annual Meeting of the Radiological Society of Northern
America (RSNA)
infoRAD Exhibit
Chicago, December 1997

1999

Multimedia-Award of the German Roentgen Society
An image processing system for preoperative planning
of liver surgery
80th German Radiology congress
Ausstellung @roentgen
Wiesbaden, May 1999

Karl-Heinz Beckurts-Award
Kar-Heinz Beckurts-Award for
Prof. Dr. H.-O. Peitgen
Munich, December 10, 1999

2000

Certificate of Merit
Highly Integrated User-friendly Research and
Development Platform for Medical Image Processing
and Visualization
Florian Schröcker, Wilhelm Berghorn, Holger Bettag, Andreas
Bohne, Richard Rascher-Friesenhausen, Dirk Selle
Annual Meeting of the Radiological Society of Northern
America (RSNA), infoRAD Exhibit
Chicago, November 26 to December 1, 2000

2001

Certificate of Merit
VICORA: A virtual institute for integrated and efficient research
and development in medical image processing
Klaus Jochen Klose, Heinz-Otto Peitgen, Gerald Lenz
Annual Meeting of the Radiological Society of Northern
America (RSNA), infoRAD Exhibit
Chicago, November 25 to 30, 2001

2002 **Certificate of Merit**
Visualization for Intervention Planning
W. Spindler, B. Preim, H. Hahn, H. Bourquain, H.-O. Peitgen
Annual Meeting of the Radiological Society of Northern America (RSNA),
infoRAD Exhibit Chicago
December 1 to 6, 2002

2004 **Third Place**
Cover Image Contest 2004
Horst K. Hahn
Eurographics – The European Association for Computer Graphics
Computer Graphics Forum, Cover Competition 2004

2005 **Magna Cum Laude Award for Most Innovative Contribution**
"Computer aided image based diagnosis and therapy planning"
European Congress of Radiology (ECR)
IMAGINE – The Intelligent Department
Vienna, März 2005

Werner Körte medal in gold
awarded by the German Society of Surgery
H.-O. Peitgen
122nd Congress of the German Society of Surgery
Munich, April 2005

2006 **German Founder-Award 2006 in the category Visionary**
Startup-initiative of the Sparkassen, McKinsey,
stern and ZDF
H.-O. Peitgen for the MeVis-Group
Berlin, September 2006

2007 **Eurographics 2007 Medical Prize**
With the article „State-of-the-Art Computer

Graphics in Neurosurgical Planning and Risk Assessment"
Mevis Research wins the first place out of 11 contestants.
The awarding of the prestigious Medical Prize der European Association of the Computer Graphics (Eurographics) to the authors A. Köhn, F. Weiler, O. Konrad, J. Klein, H. Hahn und H.-O. Peitgen took place at the Eurographics conference in Prague.
A. Köhn et al.
Prague, September 2007

Bernd-Artin Wessels-Preis 2007
MeVis Research und MeVis Technology (MeVis Medical Solutions) receive the award for the research cooperation DynaCAD. It was awarded at the general meeting of the Unifreunde Bremen e. V. by B.A. Wessels.
H.-O. Peitgen, G. Prause und C.J.G. Evertsz
for the MeVis-Group
Bremen, November 2007

2008 **Schütting-Award 2008**
for innovation in small and medium sized-companies the chamber of commerce Bremen awards MeVis Medical Solution AG for the projects "BrestCare Workstation" and "Bildgebungssoftware für Neurologen"for outstanding innovative accomplishments.
Bremen, October 8, 2008

MeVis Share

MeVis stock against the backdrop of difficult capital market conditions

The main stock exchanges around the world predominantly entered 2008 in a weak condition. Disparate macro-economic data and the shock caused by the US subprime crisis triggered unusually strong uncertainty on the part of market participants in the international financial markets. This exerted pressure on earnings expectations, causing significant declines in stock prices as early as in the second half of January. After entering the year at € 49.90, MeVis stock slid to the year's low of € 19.50 at the end of the first quarter. The announcement of disappointing figures for the 4th quarter of 2007 triggered a sharp temporary decline of some 60% against the backdrop of the general market uncertainty.

The second quarter was mostly dominated by cautious trading activity, with disparate expectations resulting in greater sideways movements on the financial market in tandem with heightened volatility. The German benchmark indices painted a mixed picture, mostly closing the quarter down slightly. During this period, our stock was able to recover to some extent, oscillating around a mean price of € 31.37. In mid June, an interim high of € 39.00 was achieved.

In the third quarter, the global financial markets sustained significant losses and short-term countermoves. The declines gained momentum compared with the previous quarter and spread to the entire stock market. However, the German stock indices were initially affected by this to differing degrees (MDAX down 21%; SDAX down 18%; TecDAX down 9%; DAX down 8%). During this period, MeVis stock was largely consistent with the capital market as a whole, closing the quarter at only € 28.30, down from € 34.00 on July 1, 2008. During this period, the stock traded at a mean price of € 32.25.

Performance comparison

FIGURES IN PERCENT

In October, news of the collapse of further banks heightened investors' fears that the financial crisis would spread to the real economy. Market participants' fears of negative economic effects increasingly impaired their activities on the financial markets, with the resultant investing restraint additionally fueling the decline in the financial markets (TecDAX down 27%; MDAX down 19%; SDAX down 17%; DAX down 17%). With gains of around 47% during this period, MeVis impressively managed to shrug off the general negative trends, reaching a temporary high of € 42.00 at the end of the year. The mean price for the final quarter of the year under review fluctuated around € 31.30.

This substantial recovery at the end of the year can be attributed primarily to the announcement of the spin-off of the business with our OEM partner Hologic from the MeVis BreastCare joint venture with Siemens and the full integration of this business within the MeVis Medical Solutions Group. Apart from the immediate positive consolidation effects and the associated growth surge for 2009, this step is also of immense strategic importance for our future business trends.

In the financial year 2008 as a whole, our stock sustained only a relatively modest decline of around 16% (TecDAX: 48%; SDAX: 46%; MDAX: 42%; DAX: 40%), equivalent to a market capitalization of the MeVis Group of around € 76.44 million as of December 31, 2008.

An unexpected decline in commodity prices and exchange rates emerged in 2008 as a result of the global financial markets shock. Accordingly, the €/USD exchange rate, which is of crucial importance for MeVis given the large volume of business denominated in US dollars, dropped by around 12% from roughly USD 1.50 in the first quarter to USD 1.32 in the final quarter. A high for the year of around USD 1.60 was hit in mid July, while the low recorded by the European Central Bank at the end of October at around USD 1.25 marked the lowest level recorded in two years. We made favorable use of these trends to hedge much of our foreign currency exposure for 2009.

In the second half of the year, we presented our company to potential European investors at three important capital market conferences in Frankfurt and Zurich as well as in numerous one-on-ones in an effort to achieve a greater spread in our investor base, and we will be continuing to extend these activities in the future.

After the completion of the first stock buyback program in mid June, the Company held a total of 5% of its own capital at the end of the third quarter of 2008. On November 4, 2008, the Executive Board launched a second stock buy-back program to acquire up to a further 5% of the Company's capital. Hamburg private bank M.M. Warburg & CO KGaA was instructed on November 5, 2008 to buy up to 91,000 shares for MeVis Medical Solutions AG via the stock market on or before March 31, 2009. At the end of 2008, the Company's treasury stock comprised 109,499 shares, equivalent to around 6% of its share capital. At the end of the second stock buy-back program on March 31, 2009, this figure rose to a total of 122,850, equivalent to 6.75% of the Company's total stock.

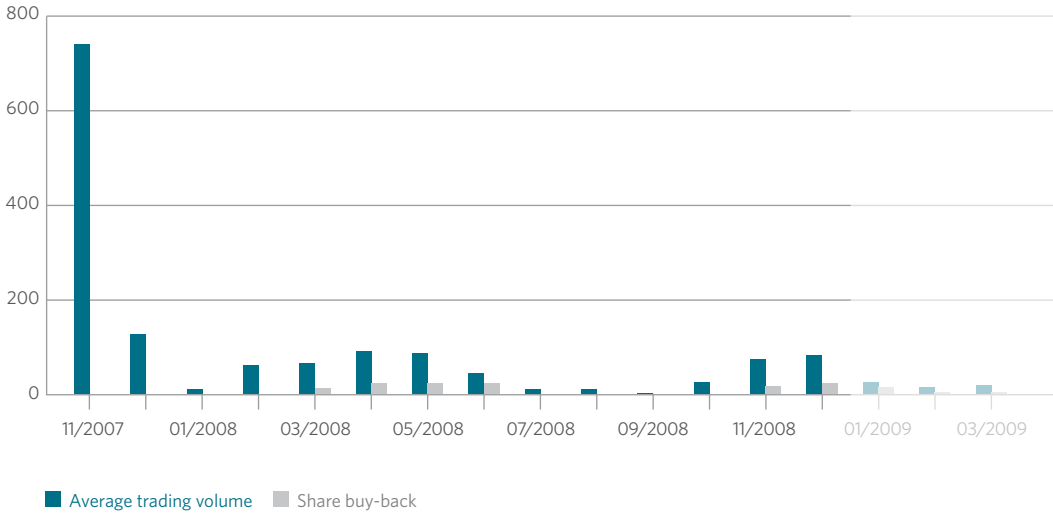
Roughly 57% of the share capital continued to be held by the founders as of the end of the year, resulting in a free float of 39% of the Company's share capital, half of which is held by institutional and half by private investors.

As of the end of 2008, we were able to increase our shareholder base by around 49% compared with the stock market flotation in mid November 2007. Since the last shareholder meeting in July 2008, the growth rate at the end of the year still amounted to approx. 12%, while the group of small stockholders (with fewer than 100 MeVis shares in their portfolio) has seen disproportionately strong growth since the end of 2008.

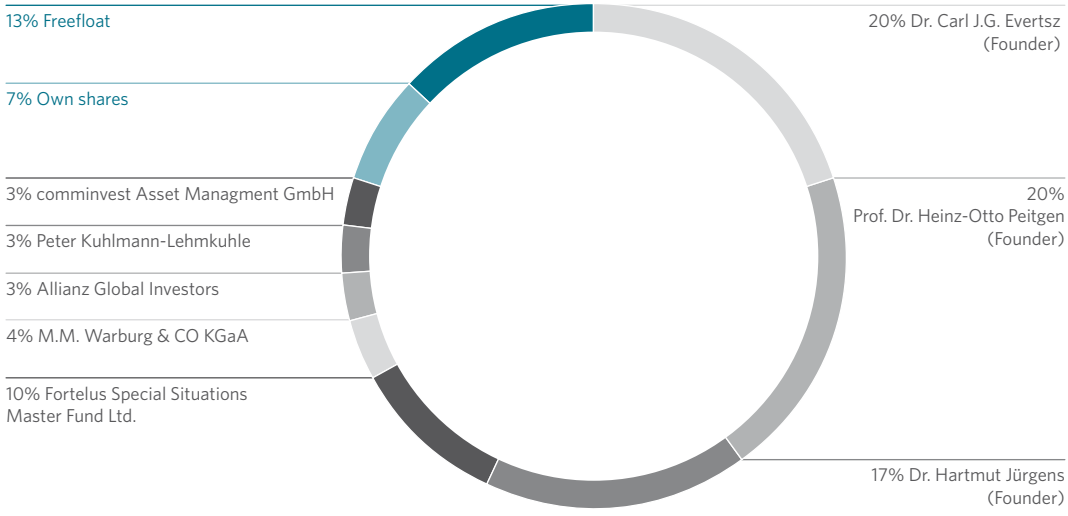
The trading volume since the end of the last financial year has risen accordingly. Only a small part of this is attributable to the trading activities in connection with the stock buy-back program. However, general investor restraint at the beginning of 2009 also left traces on trading volumes for MeVis stock, accompanied by a renewed temporary decline to below € 20.00 at the end of the first quarter of 2009.

Volume of the MeVis share

FIGURES IN THOUSAND €



Shareholder structure



Report of the Supervisory Board for the financial year 2008

Dear shareholders,

Throughout 2008, the Supervisory Board of MeVis Medical Solutions AG regularly advised the Executive Board on the performance of its duties and monitored the Company's management.

We were directly involved in all questions of fundamental importance for the Company. The Executive Board informed us regularly, with minimum delay and comprehensively of the state of the Company's operating business and strategic development both orally and in writing. We were consulted on all major decisions. The Supervisory Board and the Executive Board deliberated on the Company's business at five ordinary meetings of the Supervisory Board. In addition, the Supervisory Board passed resolutions outside these meetings.

The Executive Board briefed the Supervisory Board both during and outside of its meetings on the Company's business performance including sales and profitability, material business transactions and matters of particular significance, other issues subject to compulsory disclosure, risk management precautions and other business risks which had become apparent. The Supervisory Board's activities primarily entailed deliberation on key development projects as well as the business situation at the subsidiary MeVis Medical Solutions, Inc. and the joint venture MeVis BreastCare GmbH & Co. KG. In addition, we discussed at length MeVis Medical Solutions AG's growth strategy and the adaptation of business structures and processes to the stock market flotation with the Executive Board.

Summary of the meetings of the Supervisory Board

First meeting of the Supervisory Board on April 10, 2008

The agenda of the Supervisory Board's first meeting for 2008 included the analysis and approval of the annual financial statements prepared in accordance with German GAAP (HGB) and the management report of MMS AG as well as the MeVis Group's consolidated financial statements prepared in accordance with the International Financial Reporting Standards (IFRS) and the Group management report for 2007.

Second meeting of the Supervisory Board on May 5, 2008

The agenda of the Supervisory Board's second meeting included the preparation of MeVis Medical Solutions AG's annual general meeting on July 9, 2008 and the resolutions to be passed at that meeting.

Prof. Dr. Heinz-Otto Peitgen

Third meeting of the Supervisory Board on July 9, 2008

The agenda of the Supervisory Board's third meeting included the submission by the Executive Board of a report concerning the acquisition of the lung CT business from Hologic, Inc. by MeVis Medical Solutions, Inc., the return of the shares in MeVis Research GmbH to the Free Hanseatic City of Bremen ahead of the planned conversion of the non-profit entity into a Fraunhofer institute, the current status of the acquisition strategy, the status of the plans to carve out the share held by Siemens AG in the business with OEM partner Hologic Inc. from the MeVis BreastCare GmbH & Co. KG joint venture and subsequently to acquire it, the progress being made on the development of the internal risk management system as well as the Group's general business performance.

Fourth meeting of the Supervisory Board on September 24, 2008

The agenda of the Supervisory Board's fourth meeting included the report submitted by the Executive Board concerning the first half of 2008, the launch and positioning of new products and development projects, the MeVis Group's business performance and the progress made on the development of the Group's strategy as well as the Executive Board's report on the status of the acquisition plans being pursued by the Group.

Fifth meeting of the Supervisory Board on December 18, 2008

The agenda of the Supervisory Board's fifth meeting included the planned change of CFO as of January 1, 2009, discussion on the Executive Board's disclosure and reporting duties, an analysis of the MeVis Group's business performance in 2008 and the prospects for 2009 as well as the status of the growth efforts being pursued by the Company.

Composition of the Supervisory Board

There were no changes in the composition of the Supervisory Board in 2008.

Work of the committees

As the Supervisory Board has only three members, committees were dispensed with.

A corporate compliance committee was established in 2008 to support the Supervisory Board in risk management matters and comprises the members of the Supervisory Board as well as selected employees of the MeVis Group. The corporate compliance committee primarily deals with matters relating to risk management and the efficiency of business processes. In addition, it serves the Supervisory Board as an instrument for the performance of special corporate governance tasks. In 2008, these activities did not give rise to any separate results.

Corporate governance

The Executive Board and the Supervisory Board support the initiatives of the Government Commission on German Corporate Governance Code, which summarizes the principles of good and responsible corporate governance, and on February 14, 2009 jointly issued a second declaration of conformance with the German Corporate Governance Code as last amended on June 6, 2008. This declaration was published on MeVis Medical Solutions AG's website and is also reproduced in the corporate governance chapter of this annual report.

Unqualified auditors' report issued for the annual financial statements

The separate financial statements of MeVis Medical Solutions AG as of December 31, 2008 prepared in accordance with German GAAP (HGB), the consolidated financial statements as of December 31, 2008 prepared in accordance with the International Financial Reporting Standards (IFRS), the management report and the Group management report prepared by the Executive Board for 2008 were submitted to the statutory auditors KPMG AG Wirtschaftsprüfungsgesellschaft, Bremen, who had been selected by the shareholders at the annual general meeting, and issued with an unqualified auditors' report.

We examined the annual and consolidated financial statements and the management report for the Parent Company and the Group prepared by the Executive Board for 2008 as well as the Executive Board's proposal to be submitted for approval by the shareholders for the allocation of the unappropriated surplus. The statutory auditors took part in the examination and discussion and reported to the Supervisory Board on the material results of the audit. After reviewing the results of the audit ourselves, we concurred with the statutory auditors' findings.

The Supervisory Board approved the annual and consolidated financial statements as of December 31, 2008 at its meeting of April 27, 2009. Accordingly, the annual financial statements are deemed to have been duly adopted and released for publication.

The Supervisory Board endorses the Executive Board's proposal that the accumulated profit for 2008 in an amount of € 548,738.69 be carried forward.

The disclosures stipulated by Sections 289 (4) and 315 (4) of the German Commercial Code (Act to Ratify the EU Takeover Bids Directive) are included in the Management Report and the Group Management Report on the audit reports. The Supervisory Board has examined and endorsed these disclosures and declarations which it considers to be complete.

The Supervisory Board thanks the Executive Board and all employees of the MeVis Group both inside and outside Germany for the work that they performed in the year under review as well as their commitment and dedication.

Bremen, April 27, 2009

For the Supervisory Board

Prof. Dr. Heinz-Otto Peitgen
Chairman

Declaration of conformance

The purpose of the German Corporate Governance Code is to formulate recommendations and suggestions aimed at ensuring responsible and transparent corporate governance in the interests of the shareholders and the general public. The German Corporate Governance Code currently contains over 70 recommendations. In accordance with Section 161 of the Stock Corporation Act, companies must issue an annual statement disclosing the recommendations which they have not followed. MeVis Medical Solutions AG's declaration of conformance is based on the German Corporate Governance Code as amended on June 6, 2008 and was approved by the Supervisory Board on February 14, 2009 and published immediately on the Company's website.

The Executive Board and the Supervisory Board of MeVis Medical Solutions AG declare that the recommendations (E) and annotations (A) of the "German Corporate Governance Code Government Commission" have been and will in future be met with the following exceptions:

(A3) As stipulated by the Code in section 2.3.4 the company should enable shareholders to follow the Annual General Meeting using modern communication media (e.g. Internet).
Expected benefits to and acceptance of these forms of media by shareholders are far exceeded by the ensuing costs. Currently the company refrains from the use of additional communication media.

(E7) As stipulated by the Code in section 3.8 paragraph 2, if the company takes out a D&O (directors and officers' liability insurance) policy for the Executive Board and Supervisory Board, a suitable deductible shall be agreed.
The Management Board and the Supervisory Board of the company are of the opinion that neither the motivation nor the stewardship of the Supervisory Board and the Management Board could be enhanced by the inclusion of such a deductible. The D&O insurance policy for the Management Board and Supervisory Board taken out by the company does not include such a deductible.

(E33) As stipulated by the Code in section 5.1.2, paragraph 2, phrase 3 an age limit for members of the Management Board shall be specified.
Executive and Supervisory Board of the company are of the opinion that the specification of an age limit for members of the Executive Board is not reasonable. From the point of view of the company such a limitation does not constitute a useful selection criterion and would limit members of the Supervisory Board and shareholders in the choice of suitable candidates.

(E38) As stipulated by the Code in section 5.3.1, phrase 1 depending on the specifics of the enterprise and the number of its members, the Supervisory Board shall form committees with sufficient expertise.

The duties and responsibilities of the committees are executed by the entire Supervisory Board. Due to the size of the Supervisory Board of the MeVis Medical Solutions AG, the company does not believe that the formation and appointment of such committees as stipulated by the code is appropriate.

(E39) As stipulated by the Code in section 5.3.2, phrase 1, the Supervisory Board shall set up an Audit Committee which, in particular, handles issues of accounting, risk management and compliance, the necessary independence required of the auditor, the issuing of the audit mandate to the auditor, the determination of auditing focal points and the fee agreement.
The duties and responsibilities of the audit committee are executed by the entire Supervisory Board. Issues related to risk management and compliance are being dealt with in the context of the information and reporting directive of the Executive Board and as part of the activities of the Compliance Committee of the company. Therefore the Supervisory Board is not of the opinion that the formation and appointment of such a committee as stipulated by the code is appropriate.

(E42) As stipulated by the Code in section 5.3.3, the Supervisory Board shall form a nomination committee composed exclusively of shareholder representatives which proposes suitable candidates to the Supervisory Board for recommendation to the General Meeting.
The duties and responsibilities of the nomination committee are executed by the entire Supervisory Board. Due to the size of the Supervisory Board of the MeVis Medical Solutions AG, the company does not believe that the formation and appointment of such committees as stipulated by the code is appropriate.

(E44) As stipulated by the Code in section 5.4.1, the international activities of the enterprise, potential conflicts of interest and the specification of an age limit are to be taken into consideration during the nomination process of identifying suitable candidates for the Supervisory Board.
The specification of an age limit for members of the Supervisory Board is not deemed appropriate by the Executive Board and the Supervisory Board. From the point of view of the company such a limitation does not constitute a useful selection criterion and would limit members of the Supervisory Board and shareholders in the choice of suitable candidates.

(E56) As stipulated by the Code in section 5.4.6, paragraph 2 and paragraph 3, members of the Supervisory Board shall receive fixed as well as performance-related compensation./(A18) The performance-related compensation should also contain components based on the long-term performance of the enterprise./(E57) Furthermore, the compensation of the members of the Supervisory Board shall be reported individually in the Corporate Governance Report, subdivided according to components./(E58) In addition, compensation paid or benefits granted by the company to the members of the Supervisory Board for services rendered by the individual member of the Supervisory Board, especially advisory and agency services, are to be reported individually within the Corporate Governance Report.
As stipulated by the articles of association of the MeVis Medical Solutions AG, members of the Supervisory Board receive a fixed remuneration, which is also displayed in the notes to the consolidated financial statement. The Supervisory Board sees its current task predominantly in securing the sustainability of the business model of the Company. Given the current state of development of the company, the Supervisory Board values the relatively low fixed remuneration as appropriate and sufficient. The Supervisory Board does not see the need to implement a success-oriented or individualised compensation scheme.

(E63) As stipulated by the Code in section 5.6, the Supervisory Board shall examine the efficiency of its activities on a regular basis.
Independent of sessions of the Supervisory Board, the work of the committees of MeVis Medical Solutions AG encompasses a continuous monitoring of existing processes and regulations. Additionally, since 2008, the newly created compliance committee, which includes the members of the Executive Board, assists in the monitoring work of the Supervisory Board. Therefore, the Supervisory Board is of the opinion, that an additional evaluation of its work efficiency – e.g. by means of performance evaluations – is currently not expedient.

(E73) As stipulated by the Code in section 7.1.2, phrase 2, half-year and any quarterly financial reports shall be discussed with the Executive Board by the Supervisory Board or its Audit Committee prior to publication.
Based on a separate information and reporting directive, the Supervisory Board is being regularly informed by the Executive Board. This encompasses a detailed description of those statements, which are to be published as part of the half-year and quarterly re-ports. The Executive Board will submit the relevant information to the Supervisory Board in a timely manner so as to enable the Supervisory Board to submit comments to the Executive Board. Therefore, Supervisory Board and Executive Board are of the opinion that an additional discussion of the half-year and quarterly reports prior to their publication is not necessary.

(E74) As stipulated by the Code in section 7.1.2, phrase 4, 1 subclause, the Consolidated Financial Statements shall be publicly accessible within 90 days of the end of the financial year ("Fast Closing")./(E75) As stipulated by the Code in section 7.1.2, phrase 4, 2 subclause, the Consolidated Financial Statements shall be publicly accessible within 45 days of the end of the reporting period ("Fast Closing").
MeVis Medical Solutions AG is deviating from this recommendation. Current regulations of the Frankfurt Stock Exchange for the Regulated Market (Prime Standard segment) are seen as adequate. These require companies to publish consolidated financial statements within four months after the end of the period under review (section 65, paragraph 2 FWB01), respectively within two months for interim financial statements (section 66, paragraph 5 FWB01).

Executive Board:

Dr. Carl J. G. Evertsz (Chairman)	Christian H. Seefeldt	Thomas E. Tynes

Supervisory Board:

Prof. Dr. Heinz-Otto Peitgen (Chairman)	Axel Schubert (Vice Chairman)	Dr. Peter Zencke

Announcement of Director`s Dealings as required by § 15a WpHG (Securities Trading Act)

All transactions regarding shares of the company or related financial instruments, in particular derivatives, by members of the Management Board, Supervisory Board or other individuals with executive functions who are party to privileged information of the company and exert managerial powers as well as related parties, are immediately published on the website of MeVis Medical Solutions AG.

In the period under review following notifications about director's dealings were published on the MeVis Group homepage:

Ordered by	Reason	ISIN	Financial instrument	Order	Date of transaction	Stock	Price in €	Count	Volume in €
Dr. Olaf Sieker	Person performing managerial responsibilities	DEOOOAOLBFE4	Share	Purchase	2008-10-21	Xetra	27.30	400	10,920.00
Axel Schubert	Person performing managerial responsibilities	DEOOOAOLBFE4	Share	Purchase	2008-10-04	Xetra	21.30	200	4,260.00
Axel Schubert	Person performing managerial responsibilities	DEOOOAOLBFE4	Share	Purchase	2008-03-17	Xetra	22.00	600	13,200.00
Axel Schubert	Person performing managerial responsibilities	DEOOOAOLBFE4	Share	Sale	2008-03-14	Xetra	21.50	600	12,900.00
Dr. Olaf Sieker	Person performing managerial responsibilities	DEOOOAOLBFE4	Share	Purchase	2008-01-16	Frankfurt	39.99	250	9,997.50
Pandushi Vermögens-verwaltungs-GmbH	Person performing managerial responsi-bilities, triggering the disclosure requirement for the legal person	DEOOOAOLBFE4	Share	Purchase	2008-01-16	Xetra	40.00	300	12,000.00
Pandushi Vermögens-verwaltungs-GmbH	Person performing managerial responsi-bilities, triggering the disclosure requirement for the legal person	DEOOOAOLBFE4	Share	Purchase	2008-01-16	Xetra	40.79	300	12,237.00
Thomas E. Tynes	Person performing managerial responsibilities	DEOOOAOLBFE4	Share	Purchase	2008-07-01	Xetra	48.50	625	30,312.50

At reporting date, the members of the Executive Board hold 381,201 shares of the MeVis Medical Solutions AG, which equals a share capital of 20.95%. The members of the Supervisory Board hold 354,839 shares of the MeVis Medical Solutions AG at reporting date, which is equivalent to a share capital of 19.5%.

Group management report for 2008

Business environment and performance

In the year under review, the MeVis Group was exposed to mixed conditions in its main markets in Europe and the United States, which steadily deteriorated as the year progressed. In the relevant market segments, the companies of the MeVis Group began to feel the initial negative effects of the global financial and economic crisis, particularly in the final quarter of 2008. This trend was offset to only a minor extent by the favorable impact on the Company of the appreciation in the US dollar in the second half of the year.

In 2008, the MeVis Group primarily focused on further extensions to its business activities by implementing its growth strategy. Thus, in the second quarter, the 100% subsidiary MeVis Medical Solutions, Inc., Pewaukee (Wisconsin, United States), ("MMS Inc." for short) acquired the lung computer tomography software business from R2 Technology, Inc., a subsidiary of NASDAQ-listed Hologic, Inc., Bedford (Massachusetts, United States), ("Hologic" for short), a company globally active in women's health ("acquisition of lung CT business" for short), launching it under its own brand name "MeVis Visia™ CT-Lung" in the third quarter of 2008. In connection with this launch, it was possible to sign up US company Invivo Corporation, Orlando (Florida, United States), ("Invivo" for short) as a further sales partner for Visia™ alongside Toshiba America Inc. and Vital Images Inc. Invivo Corporation has been a wholly owned subsidiary of Koninklijke Philips Electronics N.V., Netherlands, since being taken over in 2006. The existing portfolio comprising specialized software solutions to enhance early detection and diagnosis of frequent cancer types was supplemented with an important component, namely automatic diagnosis of multi-layer examinations of the lung using computed tomography.

On October 21, 2008, all of the MeVis Group's business activities with Hologic was spun off from the joint venture forged with Siemens Aktiengesellschaft, Berlin and Munich, ("Siemens") for short, MeVis BreastCare GmbH & Co. KG ("MBC KG" for short), and transferred to a newly established company MeVis BreastCare Solutions GmbH & Co. KG ("MBS KG" for short). Following the spin-off of the Hologic business, the Company acquired the 49% limited-partnership share held by Siemens ("acquisition of Hologic business" for short). This provided the basis for further optimization of conditions within the MBC KG joint venture for the individualized development of new software solutions for industrial partner Siemens, i.e. particularly specialized applications for diagnosing breast cancer by means of various imaging methods such as magnetic resonance tomography and automated three-dimensional ultrasound. For this purpose, contracts were entered into with joint venture partner Siemens on September 16 and October 14, 2008 for

the development and ensuing outlicensing of these products to Siemens AG. At the same time, full integration of the Hologic business within the Group opens up new opportunities for intensifying relations with Hologic, which is also an important industrial partner.

Ahead of the conversion of non-profit entity MeVis Research GmbH into Fraunhofer MEVIS – Institute for Medical Image Computing, a legally dependent institute of the Fraunhofer-Gesellschaft, ("MRE GmbH" or "Fraunhofer MEVIS" for short) on January 1, 2009, Group parent MeVis Medical Solutions AG ("MMS AG" for short) returned its 25.1% minority stake in MRE GmbH to the Free Hanseatic City of Bremen. The Company expects this to additionally broaden its already strong research base in Bremen.

In addition to these strategic development and corporate measures, the MeVis Group concentrated on completing and launching new products and product generations in the year under review. Thus, DynaSuite Neuro, an extensive product for magnetic resonance tomography diagnostics, which is being sold via US industrial partner Invivo, was completed, with preliminary licenses sold in the US market in the final quarter of 2008. In addition, the Group has been distributing the new Version 3.0 of its general diagnostics software MD-JADE via German industrial partner Medos AG since the final quarter of 2008. Characterized by such features as its effective RIS (radiology information system) integration and resultant user support in day-to-day clinic use, MD-JADE 3 covers a wide range of applications for radiology, computed tomography and magnetic resonance tomography.

In order to further extend the range of applications for the MeVis Group's desease-oriented software solutions, MMS AG acquired the software rights and source codes for CT-based virtual colonoscopy from a third party in 2008. This software application is to be ported to MMS AG's software platform as a basis for extending and readying it for market release in the next few years. The purchase price for this software was paid for partly in cash and partly in treasury stock.

At the annual RSNA (Radiological Society of North America) meeting in early December, the MeVis Group presented its latest developments to the international medical community together with its industrial partners. The annual digital mammography workshop held at this meeting attracted a total of 800 professional visitors in 2008, providing them with an opportunity of self-appraising their early detection skills using the Company's mammography workstations.

The Executive Board assumes that the MeVis Group will generally be able to maintain the market position that it has achieved on the basis of its specialized product range, extensive research base and the existing industrial partnerships and specifically extend it in individual segments in 2009. Against the backdrop of the protracted global financial and economic crisis, however, this will materially hinge on the industrial partners' continued ability to successfully market their products.

European segment revenues continued to develop positively in 2008, rising by around 10.7% to T€ 1,692 (previous year T€ 1,529). US segment revenues came to T€ 9,565 (previous year T€ 6,827), an increase of around 40.1%. Segment revenues include development cost grants collected with an impact on net income, amounting to T€ 413 (previous year T€ 464).

Total sales in the year under review came to T€ 10,844 (previous year T€ 7,892), an increase of around 37.4%.

The increase in sales did not fully feed through to earnings due to extensions to the MeVis Group's new product development activities, something which also entailed additional recruiting, as well as expense in connection with the acquisition of the Hologic business in the fourth quarter of 2008. In addition, the recognition of write-down expenses of T€ 18 in connection with intangible assets arising from the acquisition of Siemens AG's 49% stake in MBS KG (see also Note 10 to the consolidated financial statements) exerted pressure on consolidated EBIT. Earnings before interest and taxes (EBIT) came to T€ 665 (previous year T€ 806).

In contrast to the financial statements as of December 31, 2007, currency translation gains and losses are reported within net financial result. In the 2007 financial statements, they were reported under other operating income and expenses. The presentation was changed retroactively in accordance with IAS 8. The comparison figures for the prior periods were restated accordingly.

Earnings before tax equaled T€ 2,706 (previous year T€ 487). Burdened with income and revenue taxes of T€ 592 (previous year T€ 355), the Group result amounts to T€ 2,114 for the year (previous year T€ 132).

In 2008, cash and cash equivalents contracted by T€ 13,214 to T€ 15,257 due to the growth in the Group's operating business and the acquisitions executed. However, this reduction also includes the acquisition of the securitized promissory note loan of T€ 5,000, which matured in the first quarter of 2009.

The MeVis Group has sufficient financial means to fund its continued successful growth.

The Executive Board and the Supervisory Board will be asking the shareholders to approve a resolution omitting the dividend for the year under review so that that the Group's ongoing expansion can be financed.

Sales and earnings in the Digital Mammography segment

The **Digital Mammography** segment develops and markets software products for supporting image-based diagnostics in the field of digital mammography. The products are distributed to final customers via industrial partners (OEMs, e.g. Siemens and Hologic). This segment includes the 51% share held in the MBC KG joint venture and, since November 2008, 100% of MeVis Group member MBS KG.

In the year under review, the **Digital Mammography** segment developed positively with a sales increase of around 24.1% to T€ 6,898 (previous year T€ 5,558).

License sales rose by around 20.3% to T€ 6,016 in 2008 (previous year T€ 5,002), while maintenance and support sales climbed by some 68.9% to T€ 826 (previous year T€ 489). Total **Digital Mammography** sales (licenses and maintenance) were thus up around 24.6%, rising to T€ 6,842 (previous year T€ 5,491).

Service sales (consulting and training) came to T€ 2 (previous year T€ 13) in the year under review. Hardware sales stood at T€ 54 (previous year T€ 54).

The **Digital Mammography** segment achieved sales growth in its two main markets, Europe and the United States, in 2008. In Europe, sales expanded by around 27.0% to T€ 1,171 (previous year T€ 922), while US sales were up roughly 23.5% to T€ 5,727 (previous year T€ 4,636).

Despite the higher sales, operating earnings came to T€ 4,051 (previous year T€ 2,712) due to the increase in staff costs to T€ 2,465 (previous year T€ 1,680) as a result of planned recruiting in connection with the development of new products in 2008 to 2010.

Sales and earnings in the Other Diagnostics segment

The **Other Diagnostics** segment comprises digital radiology products (e.g. magnetic resonance tomography (MRT), computed tomography (CT) etc.) as well as general analysis and diagnostics of radiological imaging. Other main activities in this segment include image and risk analysis for the planning of liver surgery and tumor diagnostics in connection with the clinical studies of pharmaceutics companies. It encompasses 100% of the parent MMS AG and 100% of the subsidiary MMS Inc.

In the year under review, Other Diagnostics sales increased sharply by around 296.8% to T€ 9,296 (previous year T€ 2,343). In addition to sales with third parties of T€ 3,946 (previous year T€ 2,336), sales also include intersegment earnings of T€ 5,350 (previous year T€ 7). The intersegment earnings derive from the sales of licences to the segment Digital Mammography.

License sales rose by around 326,5% to T€ 8,565 in 2008 (previous year T€ 2,008), while maintenance and support reduced by 7.6% to T€ 230 (previous year T€ 249). Total sales with products of the segment Other Diagnostics (licenses and maintenance) rose by 289.7% to T€ 8,795 (previous year T€ 2,257).

Service sales (consulting and training) came to T€ 279 (previous year T€ 84), with hardware business generating sales of T€ 222 in the year under review (previous year T€ 2).

This segment comprises the two submarkets Europe and the United States. In Europe, sales expanded by around 1,067.2% to T€ 5,871 (previous year T€ 503), while US sales were up roughly 86.1% to T€ 3,425 (previous year T€ 1,840).

Despite of the significant rise in staff costs of T€ 5,205 (previous year T€ 2,521) due to the planned strong expansion of employees in connection with the development of new products from 2008 to 2010, the rising sales lead to an increase of the segment result. The operational result amounts T€ 1,538 compared to a loss of T€ 2,165 in the previous year. It must be taken into consideration that the segment result is

influenced positively by a special effect through the en-bloc sale of licences of T€ 5,350. Without this special effect, it would have resulted in a loss of T€ -3,812.

Results of operations

Consolidated sales in 2008 were primarily influenced by the increase in volumes sold to industrial partner Invivo as well as the 100% consolidation of the Hologic business as of November 1, 2008, which had previously only been consolidated proportionately at 51%.

In the year under review, sales came to a total of T€ 10,844 (previous year T€ 7,892).

The increase of T€ 298 in other operating income to T€ 1,062 in the year under review is mainly due to the recognition of grants of T€ 413 (previous year T€ 464), proceeds from derecognition of liabilities of T€ 384 (previous year T€ 0) and off-period income of T€ 26 (previous year T€ 0). Miscellaneous other operating income came to T€ 120 (previous year T€ 202). The development grants received from Invivo (recorded under grants) were recognized upon the completion of a new DynaCAD product (DynaSuite Neuro).

Based on the first recognition of development costs in 2008 (see also Note 12 to the consolidated financial statements), development costs of T€ 1,942 were recognized (previous year T€ 0). These are recognized in the position Earnings from asset development costs.

The sum total of cost of materials and cost of services purchased of T€ 367 (previous year T€ 650) primarily comprises the cost of goods sold of T€ 241 (previous year T€ 407) and the research projects of T€ 126 (previous year T€ 243) awarded to MRE GmbH/Fraunhofer MEVIS.

The increase in staff costs is primarily due to the planned extensions to the Company's development activities. The annual average headcount stood at 181 (previous year 92), equivalent to an annual average 138 equivalent full-time positions. In the year under review, staff costs rose by 82.5% to T€ 7,670 (previous year T€ 4,202).

The increase in other operating expenses in the year under review by 58.7% to T€ 4,054 (previous year T€ 2,555) is chiefly due to a rise of T€ 333 in rental expense in connection with extensions to headcount to T€ 483, of T€ 202 in external work to T€ 216, of T€ 159 in travel expenses to T€ 269, of T€ 150 in recruiting costs to T€ 210, of T€ 147 in insurance premiums and contributions to T€ 164 and of T€ 73 in the base funding for MRE GmbH/Fraunhofer MEVIS to T€ 143.

Earnings before interest, taxes and depreciation and amortization (EBITDA) came to T€ 1,757 in 2008 (previous year T€ 1,249), translating into an EBIT margin of 16.2% (previous year 15.8%).

Earnings before interest and taxes (EBIT) came to T€ 665 (previous year T€ 806), equivalent to an EBIT margin of 6.1% (previous year 10.2%).

Up until the previous year, currency translation gains and losses were reported under other operating income and expenses, respectively, and not under net financial result. Among other things, this caused the Group's operating result (EBIT) to be exposed to daily fluctuating market valuations of currency hedge transactions. Operational control but also the actual value of the Group operating result (EBIT) was significantly impaired and subjected to haphazard market movements. For this reason, in departure from the previous year's financial statements the Executive Board decided not to report currency translation gains and losses under other operating income and expenses, respectively, but within net financial result. The comparative figures for the previous year were adjusted accordingly. This accounting policy change has a substantial impact on the Group's reported operating result (EBIT). Without this policy change, the MeVis Group would have reported EBIT of T€ 1,975 for fiscal 2008 (previous year: T€ 496).

Net financial result increased in 2008, primarily as a result of the inflow of proceeds from MMS AG's stock market flotation in November 2007 and the related interest income. In addition, this item includes the value changes of financial instruments for the securisation of currencies as well as earnings from currency changes of of T€ 1,310 (previous year T€ -310) resulting from remeasurement of the financial instruments used for currency hedging net of currency translation gains. This resulted in net financial income of T€ 2,041 (previous year net financial expense of T€ -319).

In the year under review, the Group posted pre-tax profit of T€ 2,706 (previous year T€ 487), equivalent to a return on sales of 25.0% (previous year 6.2%).

Deferred income tax assets and liabilities at the MeVis Group are calculated on the basis of an income tax rate of 30% provided that the temporary differences reverse in 2009 or later. Deferred income tax assets for unused tax losses are calculated on the basis of a rate of 39% (USA) in the case of corporate tax and 15.0% in the case of trade tax.

A post-tax loss of T€ 2,114 was sustained in 2008 (previous year T€ 132). Basic profit per share came to € 1,21 (previous year € 0.17).

Capital spending

In the year under review, a sum of T€ 21,753 (previous year T€ 1,481) was spent on intangible assets, property, plant and equipment and financial assets. Of this, intangible assets account for T€ 20,361 (previous year T€ 1,075) and include especially T€ 16,105 for the Goodwill of purchased business units, T€ 2,242 for development costs and T€ 912 for a customer base. T€ 110 were invested into the purchase of a software product from the CT-supported virtual colonoscopy field.

Spending on property, plant and equipment was valued at T€ 1,392 (previous year T€ 302) and entailed T€ 576 for investments into tenant fixtures, T€ 545 for EDP equipment as well as T€ 271 for operating and business equipment.

Net assets and financial condition

The MeVis Group has ample financial resources to achieve its planned growth. As of the balance sheet date, cash and cash equivalents stood at T€ 15,257 (previous year T€ 28,471).

In the year under review, total assets widened by T€ 24,009 to T€ 59,584. The drop of T€ 3,793 in current assets to T€ 28,883 is primarily due to a decline of T€ 13,214 in cash and cash equivalents to T€ 15,257, mainly resulting from the acquisition of a promissory note loan of T€ 5,000 as well as the acquisitions (purchase of business unit Hologic/purchase of business unit Lung CT) that followed in 2008. The acquisition of the promissary note loan simultaneously led to an increase in other financial assets in the same amount. At the same time, there was an increase in income tax reimbursement claims by T€ 148 to T€ 784. Trade receivables contracted by T€ 248 to T€ 2,345 in the year under review.

Non-current assets climbed by T€ 27,802 to T€ 30,701 in 2008, with intangible assets rising by T€ 25,488 to T€ 26,876. This mainly reflected the acquisition of the "R2 Image Checker CT" business unit (including intellectual property rights, patents, source code and all business activities) from R2 Technology Inc., a subsidiary of Hologic, Inc., as well as the acquisition of Siemens AG's shares in the Hologic business spun off into MBS KG (see Note 10). In addition, development expense of T€ 2,508 was capitalized in the year under review (previous year T€ 0).

In the year under review, property, plant and equipment rose by T€ 1,016 to T€ 1,414 and primarily comprise tenant fixtures, operating and business equipment acquired in connection with the additional recruiting as well as spending on modern IT file server technology.

Under the terms of a contract entered into on June 30, 2008 by and between MeVis Medical Solutions AG and Verein zur Förderung der wissenschaftlichen Forschung in der Freien Hansestadt Bremen e.V. as shareholders of MeVis Research GmbH ("MRE GmbH" for short), MeVis Medical Solutions AG sold its share in MRE GmbH to enable the conversion of this entity into a Fraunhofer Institute. The 25.1% share was transferred at its carrying amount and resulted in a disposal of assets of T€ 34, which was recognized effective June 30, 2008.

Deferred income taxes rose by T€1,332 to T€ 2,411 in 2008.

As of December 31, 2008, equity capital stood at T€ 32,611 (previous year T€ 30,769). Subscribed capital equaled T€ 1,820 (previous year T€ 1,820). The equity ratio contracted from 86.5% to 54.7% due primarily to the increase in other financial liabilities (non-current portion of the purchase-price components resulting from the acquisitions) by T€ 12,373 to T€ 13,062 and the increase of T€ 843 in deferred income tax liabilities to T€ 843 (see also Notes 10 and 27 to the consolidated financial statements). In addition, treasury stock climbed by T€ 2,148 to T€ 3,694 (see also Note 25 to the consolidated financial statements).

Current liabilities increased by T€ 8,912 to T€ 13,029 mainly as a result of the rise in other financial liabilities – due to the recognition of the current portions of the purchase-price components of the acquisitions – by T€ 3,861 to T€ 5911, the increase of T€ 311 to T€ 465 in liabilities to banks, as well as the rise of income tax liabilities by T€ 2,701 to T€ 2,704. This increase was primarily due to the trade tax liabilities of T€ 2,532 at the level of MBS KG as a result of the tax treatment of the spin-off.

Non-current liabilities stood at T€ 13,944 as of the balance sheet date (previous year T€ 689). The increase of T€ 13,255 is mainly due to the acquisition of the business units Lung CT and Hologic. In addition, non-current liabilities comprise deferred income tax liabilities of T€ 843 (previous year T€ 0) and retirement benefit provisions of T€ 39 (previous year T€ 0).

The cash flow from operating activities came to T€ 2,908 in the year under review (previous year T€ -2,468) and primarily comprises the consolidated earnings before interest and taxes (EBIT) of T€ 665 (previous year T€ 806) adjusted for write-off of T€ 1,092 (previous year T€ 443), other non-cash expenses and income and reclassifications of T€ 797 (previous year T€ -144), interest earned of T€ 869 (previous year T€ 276), interest paid of T€ 2 (previous year T€ 211), taxes paid of T€ 941 (previous year T€ 3,250), received resp. paid exchange rate differences of T € 554 (previous year T € -172), changes in trade payables and other assets of T€ -575 (previous year T €-1,169) and changes in trade payables and other liabilities of T€ 412 (previous year T€ 956).

In the year under review, the cash flow from investing activities came to T€ -13,502 (previous year T€ -1,635) and primarily comprised payments made for investments in property, plant and equipment of T€ -1,392 (previous year T€ 302), payments made for investments in intangible assets excluding development expenses of T€ 384 (previous year T€ 1,075), payments made for capitalized development expenses of T€ 2,242 (previous year T€ 0), payments made for the acquisition of business entities of T€ 4,518 (previous year T€ 154) relating to the acquisition of the business units Lung CT and the Hologic as well as payments made for the acquisition of a promissory note loan of T€ 5,000 (previous year T€ 0).

The cash flow from financing activities of T€ -2,627 (previous year T€ 27,146) comprises payments made for the acquisition of treasury stock of T€ 2,203 (previous year T€ 2,208) and raising short-term borrowings of T€ 311 (previous year T€ 153) and payments made for the discharge of bonds and loans of T€ 735 (previous year T€ 490) primarily relating to the repayment of the loan granted to MMS AG from the dividend distributions of MBC KG in accordance with the loan contract entered into between MBC KG and MMS AG.

Cash and cash equivalents dropped by T€ -13,221 in the year under review (previous year increase of T€ 23,043).

Management and treasury systems

Under the management of MMS AG, MeVis Group's strategic goal is to achieve global market leadership in individual segments for specialized software applications for medical imaging, particularly early detection, diagnostics and intervention for cancer and lung diseases as well as neurological disorders by means of digital radiology. The software applications are for use with different imaging processes, particularly digital mammography, computed tomography, magnetic resonance tomography, digital tomosynthesis and digital sonography (ultrasound).

In selling their products, the MeVis Group companies mainly use an indirect distribution model involving industrial partners which for the most are medical technology OEMs holding leading market positions. The MeVis companies are assigned to the segments **Digital Mammography** and **Other Diagnostics** to ensure that their markets are addressed to optimum effect.

The main financial ratios used by the MeVis Group are licenses sold and sales and return on sales margins. A deviation analysis of the applicable budget parameters is performed on a monthly basis in the light of the results of a risk assessment and, where applicable, any necessary budget adjustments.

Unused liquidity is placed in low-risk investments capable of being liquidated at short or medium-term notice. As of the balance sheet date, this particularly includes money-market funds, at-call deposits and a securitized promissory note loan issued by Hypo Real Estate Bank AG which was repaid as scheduled at its maturity date on March 2, 2009. Thanks to the high volume of liquidity, credit facilities were utilized to only a small extent as of the balance sheet date. Cash and cash equivalents are used to finance working capital and for any acquisitions.

Reference should be made to Note 34 to the consolidated financial statements for details of the financial risks (exchange rate, credit and liquidity risks).

Research and development

The market for software products for use with digital medical imaging processes is characterized by high quality requirements and occasionally also short innovation cycles in tandem with rising technical complexity. For this reason, the Group's product ranges call for ongoing adjustments in the light of technical progress as well as constant enhancements to accommodate the growth in data volumes as well as medical quality requirements. In addition, the MeVis Group has a well-filled product pipeline allowing it to respond to future market developments.

The MeVis Group has little research capacity of its own. The bulk of the research activities are performed by MRE GmbH (up until December 31, 2008) resp. by Fraunhofer MEVIS (since January 1, 2009). Most of the staff employed by the Group are assigned to software development. The proportion of employees handling development activities resp. the proportion of costs for services purchased stands at 47.6% (previous year 67.3%), translating into staff costs of T€ 3,649 (previous year T€ 2,830).

In 2008, the MeVis Group's development activities concentrated on the completion and launch of new product generations as well as the continuation of ongoing projects:

Launch of MD JADE 3.0
On October 31, 2008, the new Version 3.0 of the general MD-JADE diagnostics software was launched via industrial partner Medos AG. The previous version had already covered a wide range of tasks in radiography, computer tomography and magnetic resonance tomography and was characterized by its effective RIS (radiology information system) integration. Version 3.0 additionally includes options such as support for contrast agent examinations and three-dimensional imaging. In addition, this release marks a change in generation in the software architecture used by MMS AG for MD-JADE as it is based on the Company's proprietary MeVisAP™ development platform. Looking forward, this platform will simplify and facilitate the integration of further disease-oriented applications. Further domestic and international sales partners may be sought for this product.

DynaSuite Neuro

The Dyna software product range was extended with the completion and launch of the complex DynaSuite Neuro software solution by industrial partner Invivo for use in preoperative planning of neuro-surgery. Preliminary income was already earned from sales of this product in the fourth quarter of 2008.

Tomosynthesis of the breast

Working in conjunction with an industrial partner, MBC KG has for about the past three years been developing specialized software applications based on the new technology of tomosynthesis, with which three-dimensional mammograms can be produced in a further enhancement of mammography. Preliminary prototypes of the software were presented in 2005 and 2006 in conjunction with prototypes of tomosynthesis recording devices at the annual meeting of the Radiology Society of North America (RSNA) as well as other key radiology and breast cancer exhibitions. The software is currently in the clinical trial phase. MBC KG expects a commercial launch of the product in 2009 at the latest.

3D breast ultrasound

3D breast ultrasound is an innovative technology which can be handled simply and generates readily reproducible three-dimensional ultrasound images of the breast. The Company assumes that 3D breast ultrasound can play a key role in breast cancer screening. MBC KG has been working closely with Siemens AG on the launch of this product with the aim of producing suitable software allowing medical practitioners to read the considerable volumes of image data generated by 3D breast ultrasound efficiently and reliably. Preliminary prototypes of a 3D breast ultrasound workstation were demonstrated at the RSNA annual meeting and scientific assembly on November 30 – December 5, 2008. MBC KG expects the product to be launched commercially in 2009.

3D computed tomography of the lung/Visia™ CT LungCare

According to a study by the U.S. Cancer Statistics Working Group of the US Department of Health (www.cdc.gov/cancer/lung/statistics/), a total of 196,687 cases of lung cancer were diagnosed in the United States in 2005 (previous year 196.252). In the same year, there were 159,217 deaths (previous year 158,006) as a result of lung cancer. Thus, in 2005, more people died from lung cancer than from breast, prostate and colon cancer together. For over six years, MMS AG has been working intensively on a broad-based software solution for 3D lung computer tomography permitting even more precise monitoring of lung tumor development, therapy monitoring, presurgery planning, emphysema and fibrosis evaluation and an analysis of disorders to the pulmonary vascular system. MMS AG plans to launch an extensive software application for lung computer tomography. In this connection, the strategic acquisition in the second quarter of 2008 of Lung-CT business from R2 Technology, Inc. by the 100% subsidiary MMS Inc. is of crucial importance.

DnyCAD prostate application module

In addition to the development of DynaSuite Neuro, the DynaCAD software is to be extended to permit diagnosis and MRT-guided biopsies for prostate cancer (DynaCAD Prostate). The launch of this module is expected in 2009.

Virtual colonoscopy
MMS AG is working on the development of a specialized software application for viewing CT images derived from virtual colonoscopy for diagnosing disorders of the colon. At this stage, the product is expected to be launched in 2010 – 2012.

Neuro ASP services
In connection with its application service provider (ASP) business model, MMS AG is planning to extend its range of services to include neuro-surgery. The aim is to assist neuro-surgeons in the preparation and planning of complex surgery. The Company expects to be able to start offering this service in 2009.

The MeVis Group uses MRE GmbH/Fraunhofer MEVIS as a service provider for commissioned research and development projects. In 2008, MRE GmbH/Fraunhofer MEVIS engaged in commissioned research and development activities valued at T€ 459 (previous year T€ 294). Moreover, the MeVis Group provided MRE GmbH/Fraunhofer MEVIS with grants of T€ 143 (previous year T€ 70).

Staff

The Company had an annual average of 181 employees (previous year 92 employees). This is equivalent to 138 full-time equivalent positions on average. The increase in staff costs is primarily due to the aforementioned growth in the MeVis Group's development activities. Most of the employees receive fixed remuneration as well as a performance-tied variable remuneration component measured on the basis of quantitative and qualitative individual and corporate targets. In addition, a stock option program was launched in 2007 to tie staff more closely to the Company and to generate additional incentives for performance. As of the date of this report, two installments – 2007 and the beginning of 2009 – comprising up to 40,491 stock options have been issued.

Remuneration report

The remuneration for the Executive Board comprises fixed and variable components. The fixed remuneration for Executive Board members Dr. Carl J.G. Evertsz and Dr. Olaf Sieker, who left MMS AG effective December 31, 2008, was paid by MMS AG. The fixed remuneration for Executive Board member Thomas E. Tynes was paid by MMS Inc.

The members of the Executive Board take part in a stock option program, which acts as a variable remuneration component providing a long-term incentive. In addition, Thomas E. Tynes has a right to subscribe to shares in MMS AG under the terms of his service contract. This is based on MMS AG's consolidated EBIT for the years from 2008 (inclusive).

The total remuneration paid to the Executive Board came to T€ 533 in 2008 (previous year T€ 313) and is, as well as the remuneration of the supervisory board, explained in the consolidated financial statements (see Note 40).

Corporate disclosures

Composition of the subscribed capital
As of the balance sheet date, the Company had subscribed capital of T€ 1,820 which consisted of non-par, registered shares without exemption.

Shares in capital exceeding 10% of the voting rights
- In accordance with the share register dated December 31, 2008, Dr. Carl J.G. Evertsz, Schumannstraße 12, 28213 Bremen, holds roughly 19.5% of the voting rights.
- In accordance with the share register dated December 31, 2008, Dr. Hartmut Jürgens, Grohner Bergstraße 11, 28759 Bremen, holds roughly 16.5% of the voting rights.
- In accordance with the share register dated December 31, 2008, Prof. Dr. Heinz-Otto Peitgen, Am Jürgens Holz 5, 28355 Bremen, holds roughly 19.5% of the voting rights.
- In accordance with a report received from Fortelus Special Situations Master Fund Ltd, George Town, Cayman Islands, dated April 30, 2008 pursuant to Section 21 (1) of the German Securities Trading Act, the share of voting rights jointly held by Fortelus GP Ltd, c/o M&C Corporate Services Ltd, Ugland House, PO Box 309, George Town, Grand Cayman, Cayman Islands, Fortelus Special Situations Fund LP, registered office 2711 Centerville Road, Suite 400, Wilmington, Delaware 19808, USA and Fortelus Special Situations Fund Ltd, c/o M&C Corporate Services Ltd, Ugland House, PO Box 309, George Town, Grand Cayman, Cayman Islands stands at around 10.2%.

Provisions governing the appointment and dismissal of members of the Executive Board and amendments to the articles of association
The members of the Executive Board are appointed and dismissed in accordance with Sections 84, 85 of the German Stock Corporation Act. Amendments to the articles of incorporation are governed by Sections 133, 179 et seq. of the German Stock Corporation Act. Section 119 (1) No. 5 of that Act stipulates that any amendments to the articles of association require a resolution of the shareholders. Under Article 9 (5) of the articles of association, the Supervisory Board may make amendments to the articles of association concerning the wording.

Executive Board's authorization to issue or buy back shares

At the Company's annual general meeting held on August 22 and September 28, 2007, the shareholders passed a resolution authorizing the Company's Executive Board until December 31, 2011 to issue once or repeatedly with the Supervisory Board's approval options for a total of up to 130,000 of the Company's registered no-par-value ordinary shares ("shares") to employees and members of the management of the Company and other entities in which the Company directly or indirectly holds a majority of the capital and to create contingent capital of T€ 130.

In accordance with the resolution passed by the shareholders on September 28, 2007, the Executive Board is authorized subject to the Supervisory Board's approval to increase MMS AG's share capital on a cash or non-cash basis by a total of up to T€ 650 by issuing registered shares once or repeatedly on or before September 27, 2012. The authorized capital in an amount of T€ 650 was reduced by T€ 520 in connection with the stock-market flotation by means of a cash capital increase (resolution passed by the Executive Board and the Supervisory Board on November 10, 2007). As a result, authorized capital of T€ 130 is still available.

In addition, the Executive Board is authorized to acquire up to a total of 10% of the Company's subscribed capital (T€ 1,820) in existence as of the date on which the corresponding resolution was passed by the shareholders (July 9, 2008). Including any other treasury stock already held by or attributable to the Company in accordance with Sections 57a et seq. of the German Stock Corporation Act, the shares thus acquired may not exceed 10% of the Company's total share capital. This authorization does not extend to permit trading in the Company's treasury stock. The authorization expires at the end of the day on January 8, 2010. Upon this resolution taking effect, the previous resolution passed by the shareholders on September 28, 2007 was rendered void.

Material contracts containing a change-of-control clause applicable in the event of any takeover bid

- As a 49% partner in MBC KG, Siemens Aktiengesellschaft may request the transfer of the limited-partnership shares held by MMS AG in MBC KG as well as its share in MeVis BreastCare Verwaltungsgesellschaft mbH at a reasonable price if a third party either directly or indirectly acquires a controlling interest as defined in Section 17 of the German Stock Corporation Act in MMS AG and competes with Siemens Aktiengesellschaft.

- As a licensee of MBS KG, Hologic may terminate the license contract entered into by it with MBS KG in the event of any change of control within MBS KG.

- As a licensee of MMS AG, Invivo Corp. may terminate the license contract entered into by it with MMS AG in the event of any change of control within MMS AG if the new controlling party does not acknowledge the obligations under the license contract.

– In the event of the corporate conversion of MM AG, the members of the Executive Board have a right of termination for cause if they are not appointed to the Executive Board of the entity created as a result of such corporate conversion. In this case, the member of the Executive Board concerned may terminate his service contract for cause subject to two months' notice. As compensation for the termination caused by the change in the shareholder structure, the member of the Executive Board concerned is entitled to claim compensation in an amount equaling the capitalization of the total expected remuneration arising over the remaining period of the service contract.

Lock-up agreement applicable to existing shareholders following the stock-market flotation of MMS AG

– In agreements dated October 8/October 11, 2007, the persons who were already shareholders prior to the stock-market flotation of MMS AG – with the exception of Mr. Peter Kuhlmann-Lehmkuhle – undertook towards M.M.Warburg & CO KGaA to refrain from offering the shares which they hold in the Company as of the date of this undertaking for sale either directly or indirectly, from selling or otherwise disposing of them, from pledging or otherwise taking any actions with the same economic effect as a sale or pledge of the shares for a period of fifteen months starting with the date on which they were first listed in the Regulated Market (Prime Standard) of the Frankfurt Stock Exchange. This undertaking includes transactions involving derivatives or other financial instruments. Measurements which are permissible under the terms of the aforementioned undertaking are those relating to shares in the Company which the shareholders in question have acquired in trading in the regulated market of the Frankfurt stock exchange either on the floor or over the counter. In addition, the aforementioned existing shareholders may sell the shares coming within the scope of this undertaking to related persons or employees of the Company, its subsidiaries or its associates provided that the total number of shares sold by such shareholders does not exceed a total of 30,000 of the shares coming within the scope of this undertaking.

Risk report

In the year under review, the Group took considerable efforts to enhance its risk management. By holding regular meetings in particular, the Company's management is able to detect at an early stage any risks to its assets as well as changes in the business performance of the individual segments and Group members and other risks to its going-concern status.

The MeVis Group has identified the following main risks:

Business-related risks

Dependence on key customers

The companies of the MeVis Group derive a material portion of their sales from business with a small number of individual customers. These companies, which at the same time cover much of the global market in their respective fields, are thus of considerable importance for the MeVis Group's commercial success. If it is not possible to retain these key customers, this will have a detrimental effect on the MeVis Group's net assets, financial condition and results of operations.

Dependence on customers' success

A large part of the MeVis Group's products are not final-customer products. The MeVis Group predominantly sells software to the producers of final-customer products required for the operation or production of the medical equipment which they distribute. The MeVis Group's success is thus contingent upon its customers' ability to market their own products successfully. If such products are not distributed successfully or if the customer is not able to obtain the necessary permits for its products, this will also impact future demand for the MeVis Group's products.

Product liability risks

Despite consistent quality assurance, the risk of the MeVis Group's products exhibiting faults cannot be ruled out. In such cases, the MeVis Group may be exposed to guarantee claims on the part of its partners or product liability claims. In addition, disputes relating to guarantee or product liability claims could result in a loss of confidence in the market and thus harm the MeVis Group's reputation.

Risks in connection with the utilization of brands

It is possible that there may exist further designations such as third-party brands, names and company names similar to those used or registered by the MeVis Group for similar or identical goods and services. Accordingly, there is a possibility of conflicts arising with third parties with respect to brands or designations (e.g. product or company names etc.) with the result that the MeVis Group may no longer be permitted to use the designation or name in question. This would also entail the risk of liability for damages on the part of the MeVis Group.

Risks in connection with the utilization of patents and industrial property rights

The companies of the MeVis Group own a number of German, European and US patents and patent applications. In addition, MeVis BreastCare holds a German utility patent. The risk of third parties breaching the MeVis Group's industrial property rights cannot be ruled out. Similarly, it is not possible to rule out the risk of the MeVis Group companies breaching third-party patents and industrial property rights.

Exchange rate risks

The MeVis Group offers its services on an international basis and, hence, outside the euro currency zone, particularly in the US market. The MeVis Group's sales are invoiced in the currency of the territory in which the customer has its head office. To date, a very large proportion of the services has been invoiced in US dollars. Although part of this exposure is hedged, it is not possible to exclude exchange rate risks which may have a detrimental effect on the MeVis Group's results of operations particularly in connection with the medium and long-term contracts which it customarily enters into with its customers.

Risks in connection with research and development

Dependence on key personnel

The success of the MeVis Group's activities hinges materially on the performance of its management staff as well as personnel holding key positions. If it is not possible to retain existing staff and management and to recruit new employees in sufficient numbers, this may have a detrimental effect on the Group's future viability.

Market-related risks

Risks arising from the necessity for ongoing product optimization
In order to remain competitive, the MeVis Group must enhance its products on an ongoing basis in the light of market trends and incorporate the latest technological developments in diagnostic, therapy and intervention methods. It is not possible to exclude the risk of future technological advances rendering the software developed by the MeVis Group antiquated. If the MeVis Group is unable to continue updating its software product to incorporate the swift and dynamic technological advances, this may exert an adverse effect on its net assets, financial condition and results of operations.

Material events occurring after the balance sheet date

Purchases of own shares
Under a resolution passed at the annual general meeting on July 9, 2008, the Company is authorized to buy back up to ten percent of its own current share capital in accordance with Section 71 (1) No. 8 of the German Stock Corporation Act. As of November 4, 2008, MMS AG's treasury stock comprised a total of 91,000 shares. The Executive Board decided on November 4, 2008 to initially buy back a further volume of up to 91,000 of the Company's own shares via the stock market on or before March 31, 2009. As of December 31, 2008, the treasury stock comprised 109,499 shares according to the statement of account, equivalent to around 6 percent of the Company's total share capital. Depending on the performance of MeVis stock, the Executive Board constantly monitors the treasury stock in the light of the strategic goal pursued in such transactions, i.e. the possible acquisition of other companies in full or in part.

The stock buy-back program was completed as planned on March 31, 2009. A total of 33,682 shares at an average price of € 34.54 were acquired.

Resolution on the issue of stock options
On December 19, 2008, the Executive Board utilized the authorization granted by the shareholders on August 22, 2007 to issue options as part of the staff participation program. Under this second installment, a total of up to 20,191 (first installment: 20,300 stock options) were issued at an exercise price of € 37.45 (first installment: € 55.00). A total of 182 employees (first installment: 75 employees) are eligible. At its first ordinary meeting on February 14, 2008, the Supervisory Board approved the issue of the second installment.

Capital increase – MBC KG
To reinforce the level of equity and liquidity of MBC KG, on March 2, 2009 the limited partners MMS AG and Siemens AG decided that each would pay T€ 500 into capital reserves.

Planned change of chief financial officer
Effective January 1, 2009, the Supervisory Board of MMS AG appointed Christian H. Seefeldt as chief financial officer for a period of two years.

Outlook and opportunities

The MeVis Group develops specialized software applications for the global medical imaging market. Its products and services help medical practitioners to analyze medical image data. The MeVis Group assumes that the segments which it addresses in the market for medical imaging technology will be characterized by steady and sustained growth in the medium term.

This view is also supported by external market observers. Thus, market research institute TriMark Publications published a study in August 2007 indicating that the global market for medical imaging technology has a volume of USD 20.1 billion and will grow to USD 27.9 billion by 2010 (Table 2.2 in "Medical Imaging Markets" by TriMark Publications, August 2007). MMS AG estimates that this will not only drive growth in the medical imaging market as a whole but particularly also lead to a steady increase in the importance of specialized software applications of the type developed by MMS AG and other market operators. This particularly applies to the digitization of established imaging processes as the display, analysis and processing of digital image data calls for software applications, while analog images can generally be viewed without any software. At the same time, the demands being made of the software are growing as the technical progress being achieved with many imaging processes is resulting in a steady improvement in the positional and chronological resolution of the image data, leading to considerable growth in data volumes.

Even so, as previously mentioned in the risk report, the MeVis Group companies are materially dependent upon the OEM products which incorporate its software applications being utilized so that it can maintain and extend its position in the market in 2009 and beyond. Given the difficult economic conditions in the United States, which is a crucial market for the Group, it is not possible to rule out a delay in the sales forecast by the MeVis Group's industrial partners in 2009. The protracted duration of the economic downswing and the possibility of market participants deciding to postpone planned capital spending projects may have an adverse effect on the Group's growth and results of operations.

That said, the Executive Board is convinced that the MeVis Group has been able to lay solid foundations for growth in the number of licenses sold thanks to the successful launch of DynaSuite Neuro, MD-JADE 3.0 and MeVis Visia™ CT Lung System. In addition, with the spin-off of the Hologic business from the MBC KG joint venture and full integration within the MeVis Group, the Group is able to additionally intensify activities with Hologic, a leading global company in women's health. As well as this, the MeVis Group has a well filled pipeline with projects such as DynaCAD Prostate, virtual colonoscopy and MeVis Visia™ CT LungCare, which will allow it to maintain its leading position in the market for disease-oriented software solutions for medical imaging.

All around the world, the market segments addressed by MeVis products face unusually difficult economic conditions. Accordingly, forward visibility is extremely limited.

Given the adverse business environment, the Executive Board decided in February 2009 to withdraw the forecast which it had issued in October 2008 for 2009 as the substantial uncertainty in the US market renders a reliable forecast impossible at this stage. Nonetheless, the Executive Board is confident that sales will be well up on the previous year in 2009 thanks to the ongoing extensions to the Group's product range. In the absence of further negative impacts on the Group on account of the economic and financial crisis, the Executive Board also anticipates a year-on-year improvement in the operating result (EBIT) in 2009. It should be borne in mind, however, that new products will be launched only as of the second quarter of 2009, and these products will deliver positive contributions to earnings in various stages, beginning in the third quarter.

Bremen, April 23, 2009

Dr. Carl J. G. Evertsz
CEO

Christian H. Seefeldt
Member of the
Executive Board

Thomas E. Tynes
Member of the
Executive Board

MeVis

MeVis Medical Solutions AG, Bremen

Consolidated financial statements 2008

Consolidated income statement

FIGURES IN € 000S	Notes	**Jan. 1–Dec. 31, 2008**	Jan. 1–Dec. 31, 2007
Revenues	11	**10,844**	7,892
Income from the capitalization of development expenses	12	1,942	0
Other operating income	13	1,062	764
Cost of materials/cost of services purchased	14	-367	-650
Staff costs	15	-7,670	-4,202
Other operating expenses	16	-4,054	-2,555
Earnings before interest, taxes, depreciation and amortization (EBITDA)		**1,757**	1,249
Depreciation and amortization	17	-1,092	-443
Earnings before interest and taxes (EBIT)		**665**	806
Interest income		1,052	198
Interest expenses		-321	-137
Share of profit of associates		0	-70
Other net financial result		1,310	-310
Net financial result	**18**	**2,041**	-319
Earnings before taxes (EBT)		**2,706**	487
Income tax expense	19	-592	-355
Consolidated net profit for period		**2,114**	132
Earnings per share in €	20		
Basic		1.21	0.17
Diluted		1.21	0.17

Consolidated balance sheet

FIGURES IN € 000S	Notes	Dec. 31, 2008	Dec. 31, 2007
Non-current assets			
Intangible assets	21	26,876	1,388
Property, plant and equipment	21	1,414	398
Shares in associates	21	0	34
Deferred tax assets	19	2,411	1,079
		30,701	2,899
Current assets			
Inventories	22	154	8
Trade receivables	23	2,345	2,593
Income tax receivables		784	636
Other financial assets	23	9,159	559
Other assets	23	1,184	409
Cash and cash equivalents	24	15,257	28,471
		28,883	32,676
ASSETS		**59,584**	35,575
Equity capital	25		
Subscribed capital		1,820	1,820
Share premium		28,363	28,276
Revaluation reserve		1,679	0
Treasury stock		-3,694	-1,546
Currency translation reserve		75	-26
Retained earnings		4,368	2,245
		32,611	30,769
Non-current liabilities			
Other financial liabilities	27	13,062	689
Pension provisions	26	39	0
Deferred tax liabilities	19	843	0
		13,944	689
Current liabilities			
Provisions	26	180	51
Trade payables		1,038	652
Bank borrowings	28	465	154
Other financial liabilities	29	5,911	2,050
Deferred income	30	1,019	439
Miscellaneous other liabilities	31	1,712	768
Income tax liabilities		2,704	3
		13,029	4,117
EQUITY AND LIABILITIES		**59,584**	35,575

Consolidated cash flow statement

	FIGURES IN € 000S	Notes	2008 Jan. 1–Dec. 31	2007 Jan. 1–Dec. 31
	Earnings before interest and taxes (EBIT)		**665**	806
+	Depreciation and amortization		1,092	443
+/-	Increase/decrease in provisions		152	-25
+/-	Other non-cash expenses/income		797	-144
+	Interest received		869	276
-	Interest paid		-2	-211
-	Taxes paid		-941	-3.250
+/-	Received/paid exchange rate differences		554	-172
+/-	Increase/decrease in inventories		-115	22
-	Increase in trade receivables and other assets		-575	-1,169
+	Increase in trade payables and other liabilities		412	956
=	**Cash flow from operating activities**		**2,908**	-2,468
-	Payments made for investments in property, plant and equipment		-1,392	-302
-	Payments made for investments in intangible assets (excl. development expenses)		-384	-1,075
+	Payments received from the disposal of associates		34	0
-	Payments made for investments in financial assets		0	-104
-	Payments made for the capitalization of development expenses		-2,242	0
-	Payments made for the acquisition of consolidated companies		-2,599	-154
-	Payments made for the acquisition of business units		-1,918	0
-	Payments made for promissory note loans		-5,000	0
=	**Cash flow from investing activities**		**-13,502**	-1,635
+	Payments received from stock market flotation		0	26,955
+	Payments received from capital increase		0	760
+	Payments received from disposal of treasury stock		55	1,976
-	Payments made for acquisition of treasury stock		-2,203	-2,208
+	Payments received from raising borrowings		311	153
-	Payments made to repay borrowings		-735	-490
=	**Cash flow from financing activities**		**-2,627**	27,146
	Changes in cash and cash equivalents		**-13,221**	23,043
	Exchange-rate related changes in cash and cash equivalents		**7**	0
+	**Cash and cash equivalents at the beginning of the period (3)**		**28,471**	5,428
=	**Cash and cash equivalents at the end of the period**	24, 35	**15,257**	28,471

This item comprises cash and cash equivalents.

Statement of changes in equity

for the period of 1 January until 31 December, 2008

FIGURES IN € 000S	Subscribed capital	Share premium	Revaluation reserve for financial assets	Treasury stock	Currency translation reserve	Retained earnings	Total
Balance on January 1, 2007	50	0	0	2,603	0	0	2,653
Purchase of treasury stock	0	0	0	-2,208	0	0	-2,208
Capital increase from authorized capital	490	0	0	0	0	-490	0
Capital increase against cash	1,280	28,080	0	0	0	0	29,360
Flotation costs	0	-1,139	0	0	0	0	-1,139
Disposal of treasury stock	0	1,314	0	662	0	0	1,976
Issue of stock option	0	21	0	0	0	0	21
Currency translation reserve	0	0	0	0	-26	0	-26
Consolidated net profit for the year	0	0	0	0	0	132	132
(Consolidated net profit)	(0)	(0)	(0)	(132)	(-26)	(0)	(106)
Balance on December 31, 2007	1,820	28,276	0	-1,546	-26	2,245	30,769
Balance on January 1, 2008	**1,820**	**28,276**	**-1,546**	**2,245**	**-26**	**0**	**30,769**
Purchase of treasury stock	0	0	0	-2,203	0	0	-2,203
Disposal of treasury stock	0	0	0	55	0	0	55
Revaluation of assets and liabilities within a step acquisition	0	0	1,688	0	0	0	1,688
Account transfer according to amortization	0	0	-9	0	0	9	0
stock options - changes in fair value	0	87	0	0	0	0	87
Currency translation reserve	0	0	0	0	101	0	101
Consolidated net profit for the year	0	0	0	0	0	2,114	2,114
Balance on December 31, 2008	**1,820**	**28,363**	**1,679**	**-3,694**	**75**	**4,368**	**32,611**

Notes to the consolidated financial statements of MeVis Medical Solutions AG

Basic information on the Group

1. General disclosures

MeVis Medical Solutions AG (until August 27, 2007: MeVis Technology AG) ("MMS AG" for short) is the parent company within the Group. It was incorporated at the end of 1997 and commenced active business in 1998. It has its registered office in Bremen, Germany. Its address is Universitätsallee 29, 28359 Bremen.

At their meeting held on July 20, 2007, the shareholders passed a resolution to rename MeVis Technology AG MeVis in Medical Solutions AG. The entry in the commercial register necessary for this resolution to take legal effect was completed on August 27, 2007.

At the shareholder meeting held on September 28, 2007, the shareholders passed a resolution to apply for admission of 1,820,000 shares (total share capital) issued by MMS AG to the regulated market of the Frankfurt stock exchange subject to further admission obligations (Prime Standard) Admission was granted on November 15, 2007, with the Company's shares listed for the first time on November 16, 2007.

The stock market flotation generated cash proceeds - before flotation costs - of T€ 28,600.

The consolidated financial statements as of December 31, 2008 have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Board (IASB). In this connection, the provisions contained in Regulation (EC) No. 1606/2002 of the European Parliament and the European Council of July 19, 2002 concerning the application of international accounting standards in connection with Section § 315a 1 of the German Commercial Code as well as the supplementary provisions of German commercial law were observed. The requirements have been observed in full and result in the presentation of a fair and true view of the net assets, financial obligations and results of operations of the MeVis Group.

The financial year of MMS AG and its consolidated subsidiaries is the same as the calendar year. The 2008 financial year is a short financial year for the 100% subsidiary MeVis BreastCare Solutions GmbH & Co. KG ("MBS KG" for short) and ends on December 31, 2008. The balance sheet date for the consolidated financial statements matches the balance sheet date for the parent company.

Assets and liabilities are principally recognized at amortized cost. This does not apply to derivative financial instruments, which are recognized at their fair value as of the balance sheet date. The currency

used in the consolidated financial statements is the euro; unless otherwise stated, all figures are quoted in thousands of euros (T€).

The income statement is prepared using the total-cost method. In accordance with IAS 1, the current/non-current distinction is applied to assets and liabilities. Non-current assets and liabilities are defined as those which are not due for settlement in less than one year. Deferred taxes are always recognized as non-current assets or liabilities.

The consolidated financial statements as of December 31, 2008 were approved by MMS AG's Executive Board for publication on April 23, 2009. The Supervisory Board is responsible for examining the consolidated financial statements and stating whether it approves them. The consolidated financial statements are to be published on April 30, 2009.

2. Group's business activities

The MeVis Group develops and distributes innovative medical imaging software products. Software development activities are partially performed by the Group's own employees and partially outsourced to a research institute. The MeVis Group primarily operates in the area of IT support for clinical radiology and surgery.

In this connection, it specializes in developing software for image-based processes for diagnosing and treating breast cancer, liver surgery, vascular diagnostics, diagnostics and therapy for lung diseases as well as diagnostics and therapy for neurological disorders. The Group works with leading medical technology companies to incorporate the results of these research and development activities in marketable products. At the same time, it incorporates companies to develop and distribute certain software products.

3. MMS AG's segments

MMS AG operates in two segments: Digital Mammography and Other Diagnostics. The Digital Mammography segment comprises the activities of the joint venture MBC KG and the Hologic business spun off to the 100% subsidiary MBS KG (see also Note 5 Subsidiaries). The Other Diagnostics segment engages in the development and marketing of diagnostic software, which is sold by MMS AG and MMS Inc. The MeVis-Group has two regional segments, namely the United States and Europe/Rest of the World – based on the geographic distribution of sales.

Basis of preparation

4. Principles of consolidation

The consolidated financial statements include the financial statements of MMS AG and its subsidiaries. Subsidiaries are defined as entities which are controlled by MMS AG. An entity is assumed to be controlled if MMS AG directly or indirectly holds more than half of its voting rights and it is possible for it to determine the entity's business and financial policies in such a way that the Group is able to derive advantages from such entity's activities.

Newly acquired companies are consolidated using the purchase method. Accordingly, the acquisition costs of the business combination are assigned to the identifiable assets acquired and the identifiable liabilities and contingent liabilities assumed on the basis of their fair values as of the date of acquisition. Any excess in acquisition costs over the Group's share in the fair values of the identifiable assets, liabilities and contingent liabilities acquired is recognized as goodwill. If the fair values of the identifiable assets, liabilities and contingent liabilities acquired exceed the purchase price (negative goodwill), this amount is recognized in the income statement. The acquired entities are consolidated as of the date of acquisition.

In the case of a step transaction of shares in entities in connection with which MMS AG obtains the possibility of exercising control on such entities, the provisions contained in IFRS 3 governing the full remeasurement of the assets and liabilities as of the date on which the possibility to exercise control is acquired are applied. Goodwill or any negative differences to be recorded in profit and loss are calculated separately for each acquisition. Any change in the fair values of the assets and liabilities between the date on which the shares are acquired and the date on which the possibility of exercising control is obtained are recorded in the revaluation reserve within consolidated equity.

Shares in entities whose business activities are co-managed by MMS AG and another company (joint ventures) are consolidated on a proportionate basis. For this purpose, the assets, liabilities, revenues and expenses of the joint-venture company are consolidated in accordance with the Group's share in such entity. The principles of full consolidation are also applied to companies consolidated on a proportionate basis.

An associated company is a company on which the Group exercises material influence and which is neither a subsidiary nor a share in a joint venture. Material influence is defined as the possibility to influence the associated company's financial and business policies. However, the Group does not control such financial and business policies either individually or in conjunction with other parties. Using as a basis the cost of acquisition as of the date on which the shares were acquired, the changes in the equity of the associated companies are increased or decreased in accordance with the equity method of accounting to the extent that these shares are attributable to MMS AG.

Intragroup balances and transactions including intragroup profit and loss are eliminated. The single-entity financial statements included in the consolidated financial statements have been prepared using uniform recognition and measurement principles.

5. Companies consolidated

In addition to MMS AG, all subsidiaries are consolidated in full. Joint-venture companies are consolidated on a prorata basis. Shares in associates are accounted for using the equity method of accounting. The following section details the subsidiaries included in the consolidated financial statements, the companies consolidated on a proportionate basis and the shares in associates accounted for using the equity method of accounting up until June 30, 2008.

Subsidiaries

Name and location of company	Share in %
MeVis Medical Solutions Inc., Pewaukee, Wisconsin (USA)	100.0
MeVis BreastCare Solutions GmbH & Co. KG, Bremen	100.0
MeVis BreastCare Solutions Verwaltungs GmbH, Bremen	100.0

On June 25, 2007, MMS AG acquired MeVis Medical Solutions, Inc., Pewaukee, Wisconsin (USA), ("MMS Inc." for short) with share capital of USD 1,000 and consolidated it in full as a subsidiary. In a resolution dated December 18/21, 2007, an amount of USD 4,000,000 was allocated to its share premium. On April 4, 2008, MMS Inc. acquired the "R2 Image Checker CT" business including intellectual property rights, patents, and all business activities from R2 Technology Inc. – a subsidiary of Hologic, Inc. The MeVis Visia™ CT Lung System software product will be marketed by MMS Inc. in the future. It comprises dedicated software for the computer tomography-based diagnosis of lung diseases and related therapy monitoring.

On October 21, 2008, MMS AG entered into a contract with Siemens Aktiengesellschaft, Berlin and Munich, ("Siemens") providing for the full spin-off of the Hologic business from the joint venture MeVis BreastCare GmbH & Co. KG ("MBC KG" for short) to MBS KG free of any changes in the relationships and the ensuing acquisition of Siemens' share in this entity. Accordingly, all rights such as expertise, intellectual property, source codes etc. as well as all employees attributable to the Hologic business were transferred. (See Note 10 for details). The acquisition entailed the 49% share held by Siemens in the net assets of the subsidiary MBS KG.

As it is included in MMS AG's consolidated financial statements, which is responsible for ensuring compliance with the other conditions specified in Section 264b of the German Commercial Code, MBC KG is exempt from the duty to prepare consolidated financial statements in accordance with the rules applicable to companies and a management report as well as the duty to disclose these documents.

Joint-venture companies consolidated on a proportionate basis

Name and location of company	Share in %
MeVis BreastCare Verwaltungsgesellschaft mbH, Bremen	51.00
MeVis BreastCare GmbH & Co. KG, Bremen	51.00

MeVis Medical Solutions AG holds 51% of MeVis BreastCare GmbH & Co. KG, a joint venture forged with Siemens Aktiengesellschaft. In a contract dated October 21, 2008, the Hologic business was carved out of the joint venture and the share held by Siemens Aktiengesellschaft acquired by MeVis Medical Solutions AG.

As of December 31, 2008, Siemens AG continued to hold 49% of the capital of MeVis BreastCare GmbH & Co. KG. In addition, Siemens AG has a call option which it may exercise at any time with respect to a further 2% share in MeVis BreastCare GmbH & Co. KG. In accordance with the provisions contained in the articles of incorporation, a 2/3 majority is required for material decisions, meaning that the potential exercise of this option will not have any effect on the MeVis Group's scope for exerting influence on the company. Accordingly, MeVis BreastCare GmbH & Co. KG is a joint venture and therefore consolidated at 51%. MeVis BreastCare Verwaltungs-GmbH is the general partner in MeVis BreastCare GmbH & Co. KG. The shareholder structures of and consolidation policy for this company are identical to MeVis BreastCare GmbH & Co. KG.

For the purposes of proportionate consolidation, the following proportionate assets and liabilities were included in the MeVis Group's consolidated financial statements as of December 31, 2008 and 2007:

FIGURES IN € 0OOS	**2008**	2007
Current assets	4,955	3,809
Current liabilities	4,108	755
Non-current assets	174	315
Non-current liabilities	10	180
Expenses	5,050	3,996
Revenues	5,791	6,141

Associates accounted for in accordance with the equity method

Name and location of company	Consolidation period	Share in %
MeVis Research GmbH, Bremen	(until June 30, 2008)	25.1

Under the terms of a contract entered into on June 30, 2008 by and between MeVis Medical Solutions AG and Verein zur Förderung der wissenschaftlichen Forschung in der Freien Hansestadt Bremen e.V. as shareholders of MeVis Research GmbH ("MRE GmbH" for short), MeVis Medical Solutions AG sold its share in MRE GmbH to enable the conversion of this entity into Fraunhofer Institut für Bildgestützte Medizin MeVis. The 25.1% share was transferred at its carrying amount and resulted in a disposal of assets of T€ 34.

In the previous fiscal year assets and liabilities, expenses and revenues of the MRE GmbH were reported as follows:

FIGURES IN € 000S	2007
Current assets	1,389
Current liabilities	1,245
Non-current assets	446
Non-current liabilities	583
Expenses (Oct. 1-Dec.31, 2007)	1,325
Revenues (Oct. 1-Dec.31, 2007)	1,244

6. Currency translation

The annual financial statement of the subsidiary MMS Inc. is prepared in US dollars as that company's functional currency and translated into euros, which is the reporting currency, as of December 31, 2008. As MMS Inc. is an economically independent entity, its assets and liabilities are converted to the reporting currency as of the balance sheet date. Revenues and expenses are translated at the average exchange rate and equity capital into the reporting currency (euro) at historical exchange rates. Any differences arising from currency translation as well as differences between the income statement and the balance sheet are recognized in equity.

The annual average exchange rates are the average exchange rates for the respective years. The USD/EUR exchange rates underlying currency translation are as follows:

	End-of-year exchange rate		Annual average exchange rate	
Currency	**Dec. 31, 2008**	Dec. 31, 2007	**Dec. 31, 2008**	Dec. 31, 2007
US dollar/€	1,3917	1,4721	1,4713	1,3716

Transactions in currencies other than the functional currency are translated at the exchange rate prevailing on the date of the transaction. In contrast to the previous year, in which they were reported within other operating income or expense, currency translation gains and losses arising from fluctuations in exchange rates for foreign-currency transactions are reported within net financial result. 2007 figures were restated accordingly.

7. Material judgements and estimates

The preparation of the consolidated financial statements in accordance with IFRS necessitates the use of estimates and judgements of individual matters by management. The estimates are based on past experience and further relevant activities in the light of the going-concern assumption.

The main items of the balance sheet subject to management estimates are intangible assets (T€ 10,144; 2007: T€ 1,244) and property, plant and equipment (T€ 1,414; 2007: T€ 398) whose useful lives have been estimated. With respect to trade receivables (T€ 2,345; 2007: T€ 2,593), management does not expect any defaults given the limited number of customers. Deferred tax assets include deferred taxes on unused tax losses (T€ 848; 2007: T€ 845) at the level of MMS AG and MMS Inc., actual utilization of which depends on the future availability of taxable income against which the tax losses can be used. Provisions (T€ 219; 2007: T€ 51) comprise pension provisions of T€ 39 and guarantee costs, actual utilization of which

cannot be reliably determined. Material estimates with respect to the underlying management model as well as various parameters such as staff's length of service, movements in the stock price or probability of exercise are applied to the stock options recognized within equity (T€ 108; 2007: T€ 21).

The Group performs an impairment test at least once a year to determine whether the existing goodwill (2008: T€ 16,732; 2007: T€ 147) is impaired. This necessitates an estimate of the value in use of the cash generating units to which the goodwill has been assigned. To estimate the value in use, the Group must estimate the likely future cash flows from the cash generating unit and additionally select an appropriate discount rate to calculate the present value of this cash flow.

Actual amounts could differ from amounts based on estimates and assumptions.

Recognition and measurement methods

8. Summary of significant accounting policies

Intangible assets
Intangible assets acquired for valuable consideration are recognized at cost and written down over their expected useful lives. Intangible assets have a finite useful life. Amortization expense is calculated on a straight-line basis over a useful life of three to five years. Allowance is made for any impairment.

Under IAS 38, development costs must be capitalized provided that certain clearly described conditions are satisfied. Specifically, they must be capitalized if it can be reasonably assumed that the development activities will give rise to future economic benefits and the expenditure attributable to the development activities can be reliably measured.

Up until December 31, 2007, research and development costs had been recognized directly in profit and loss. Following the implementation of the project development system, it is now possible to identify the individual phases of the development project and assign the corresponding costs to them. Costs which are attributable purely to research activities are expensed directly. Development activities are capitalized if a new software product or process can be clearly delineated, it is to be marketed and there is sufficient probability of the new product generating payment flows in the future.

Accordingly, the development expense incurred for the MeVis Group's software products after the software specifications have been defined and agreed upon with the customer are capitalized. In this connection, individual and overhead costs attributable to the development activities are capitalized up until completion of the project and written down over the lifetime of the product.

The implementation of the project development system and, as a result, the capitalization of development expenses for the first time in the year under review limit the comparability with the previous year.

Intangible assets acquired in connection with a business combination are identified and reported separately from goodwill as soon as they meet the definition of an intangible asset and their fair value can be identified reliably. The costs of such intangible assets equal their fair value on their date of acquisition. They are amortized on a systematic basis provided that they have a finite useful life.

Systematic straight-line amortization for software, licenses and similar rights is calculated on the basis of useful lives of up to seven years. The customer base is written down over ten years, contractual relations over the duration of the underlying contract and development costs over a period of two to three years as of completion.

Goodwill arising from acquisition accounting is not amortized but submitted to annual impairment testing. For this purpose, the goodwill acquired from a business combination is allocated to the cash-generating unit that is expected to benefit from the business combination in which the goodwill arose. The impairment test is performed annually and additionally whenever there is any evidence indicating that the value of the cash-generating unit may be impaired. This is determined by comparing the carrying amount of the cash-generating unit with its recoverable amount. The recoverable amount is the higher of the value in use and the net selling price of the cash-generating unit.

The Company has determined that the annual impairment test is to be conducted as of December 31 of each year. If the carrying amount of the cash-generating unit exceeds the recoverable amount, the value is deemed to be impaired, in which case the impairment loss is assigned to the goodwill in full. Any impairment beyond this is spread over the carrying amounts of the other assets of the cash-generating unit.

Property, plant and equipment

Property, plant and equipment are recognized at cost less scheduled or non-scheduled depreciation.

The acquisition costs comprise the purchase price, ancillary acquisition costs and subsequent acquisition costs less any deductions from the purchase price.

Depreciation expense is calculated on the basis of the following estimated useful lives of the assets in question:

	Useful life in years
IT equipment	3
Operating equipment	3–10
Tenant fixtures	5–10

Allowance is made for any impairment losses over and above the depreciation resulting from use of the asset in question. In accordance with IAS 36, such impairment losses are calculated by reference to comparisons with discounted future cash flows. If the reasons for the impairment loss no longer apply, the impairment loss is reversed. However, this must not result in a carrying value in excess of amortized cost.

Shares in associates accounted for using the equity method
Shares in associates are accounted for using the equity method. Allowance is made for any impairment in the value of financial assets. If it can be proved that the reasons for such impairment no longer apply, it is reversed.

Financial assets
A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets comprise receivables (excluding income tax refund claims), cash and cash equivalents and derivatives with a positive fair value.

They are recognized and measured in accordance with IAS 39. Accordingly, financial assets are recognized in the consolidated balance sheet if they give the MeVis Group the contractual right to receive cash or other financial assets from another entity. Financial assets are derecognized when the contractual obligations are settled, suspended or expire.

All customary purchases and sales of financial assets are recognized on the settlement date. Financial assets are initially recognized at their fair value plus transaction costs. Transaction costs arising in connection with the acquisition of financial assets at fair value through profit or loss are immediately taken to the income statement. Receivables which bear little or no interest are initially recognized at the present value of the expected future cash flow. Subsequent measurement is determined in accordance with the following categories of financial assets:

Financial assets at fair value through profit or loss comprise financial assets held for trading or designated financial assets. Derivative financial instruments are assigned to this category. Changes in the fair value of financial assets in this category are recognized in the income statement upon such change arising.

Loans and receivables are non-derivative financial assets which are not traded in an active market and are recognized at amortized cost. This category includes trade receivables, financial receivables included in other financial assets and loans as well as cash and cash equivalents. As of the balance sheet date, it was not necessary to make any adjustments for doubtful receivables.

Interest income from items in this category is calculated using the effective interest method.

Inventories
Inventories comprise solely assets held for sale in the ordinary course of business, which are recognized at cost. If the net realizable value of the inventories drops below their initial cost, this impairment is recognized accordingly. In the event of an increase in the net realizable value of inventories for which impairment expense has previously been recognized, the resultant reversal amount is deducted from the cost of materials.

Taxes
Income taxes include all taxes imposed on the Group's taxable profit. The item "income taxes" in the income statement includes current and deferred income taxes. Current taxes primarily comprise domestic trade tax and corporate tax.

Deferred taxes must be recognized in accordance with IAS 12. Deferred taxes result from temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the IFRS balance sheet as well as from consolidation accounting and tax losses likely to be recognized. Deferred tax assets for deductible temporary differences and unused tax losses are capitalized to the extent that taxable profit is likely to be available in the future and it is therefore reasonably certain that these unused tax losses will in fact be utilized.

Deferred taxes in goodwill arising from a business combination must not be recognized in cases in which it is not tax-deductible.

They are calculated on the basis of the tax rates expected to apply as of the date of realization. As a matter of principle, these are based on the statutory rules in force or enacted as of the balance sheet date. The effects of changes in tax legislation to deferred tax assets and liabilities are reflected in the income tax expense for the period in which such changes take effect. Deferred tax receivables and liabilities are offset provided that they concern a type of tax for which current tax receivables and liabilities may be offset and relate to taxes levied by the same tax authority.

Equity capital
Movements in the MeVis Group's equity capital are analyzed in the statement of changes in consolidated equity.

Provisions for pensions

Defined benefit pension commitments are measured using the projected unit credit method prescribed by IAS 19, "Employee Benefits". In the process, future adjustments to remunerations and pensions are taken into account. The past service cost for persons qualifying for benefits is determined from the scheduled development of provisions for vested entitlements. Differences in amount between the scheduled pension commitments determined and the present value of entitlements and pensions at the end of the year are distributed in subsequent period across the average residual service periods of persons qualifying for benefits if they exceed 10% of the extent of commitments ("corridor method"). Pension commitments in Germany are determined by analyzing biometric accounting data in accordance with the Heubeck guidance tables 2005 G. The pension provisions are calculated by deducting the actuarial profits and losses not yet taken into account from the present value of entitlements and pensions.

Other provisions

Provisions are set aside to allow for obligations resulting from past events which will probably lead to a future outflow of resources embodying economic benefits required to settle the obligations. Provisions are measured in accordance with IAS 37 on the basis of the best possible estimate of the cost of settling the present obligation as of the balance sheet date. If the outflow of economic resources required to settle an obligation is not expected to arise until after more than one year, the provisions equal the present value of the expected cash outflow.

Legal disputes are assessed on an individual basis. If in the MeVis Group's view an obligation is likely to result in a future outflow of resources, the present value of the expected outflow is recognized provided that it can be reliably measured. These provisions cover the estimated payments to the plaintiff, court costs, attorney fees as well as any settlement costs.

Share-based compensation

Equity-settled share-based compensation awarded to one member of the Executive Board as well as all employees (including the other members of the Executive Board) in separate agreements is recognized at the fair value of the equity instrument on the grant date. The fair value of the settlement obligation is recorded within staff costs. At the same time, it is spread over the vesting period.

The fair value of all compensation obligations is calculated using a Monte-Carlo simulation. The main determinants of the value of staff options are the value of the stocks as well as the price at which the option may be exercised, i.e. the strike price. The difference between the value of the underlying financial instrument and the strike price is the "inherent value" of the option. This basically also applies to the agreement with the member of the Executive Board, who in this case receives share-based compensation. This is measured on the basis of the extent to which an EBIT corridor is reached in accordance with the consolidated EBIT figures of the MeVis Group.

In addition to modeling movements in the underlying financial instrument (or the basis for measuring the variable compensation for the member of the Executive Board), allowance is also made in connection with the measurement of the fair value of the assets for possible exits of option holders (or eligible persons) from the Company and - in the case of the employee option program - the premature exercise of the options. To depict these factors, the Company has derived further relevant input variables for the simulation model on the basis of statistical distribution models which model these decisions.

The Company uses exponential distribution to calculate the probability of an option holder leaving the Company or the holder of an employee option exercising the option prematurely prior to the expiry of its term.

The average service periods, i.e. service periods of members of the Executive Board and of employees, are analyzed as a basis for determining these probabilities. For this purpose, the Company has utilized freely available market studies. On the basis of these analysis, an average service period of 5.7 years is assumed for the members of the Executive Board. With respect to the Company's employees, an average service period of 7.5 years is assumed. This was calculated on the basis of a historical annual departure rate of 7% p.a. for staff at the MeVis Group.

Financial liabilities

Financial liabilities comprise originated liabilities and the negative fair values of derivative financial instruments. Originated liabilities are recognized in the consolidated balance sheet if the MeVis Group has a contractual obligation to transfer cash or cash equivalents or any other financial assets to another entity. An originated liability is initially recognized at the fair value of the consideration received or the value of the cash or cash equivalents received less any transaction costs. It is subsequently measured at amortized cost using the effective interest method.

Derivative financial instruments are recognized at their fair value through profit or loss. The negative fair values of derivative financial instruments are recognized under other financial liabilities.

Financial liabilities are derecognized when the contractual obligations are settled or suspended or expire.

Grants

The MeVis Group has received development grants from customers. These are recognized as other liabilities and released to the income statement as soon as the expenses for which the grants have been received are incurred by the MeVis Group.

Leases

A lease is classified as an operating lease if materially all risks and opportunities linked to ownership are retained by the lessor. Payments in connection with operating leases are recognized on the income statement as expense on a straight-line basis over the duration of the lease.

Recognition of sales
Sales are recognized when it is likely that the economic benefits from the transactions will flow to the MeVis Group and the amount is reasonably assured.

As a matter of principle, the MeVis Group distinguishes between the recognition of revenues from the sale of licenses, the provision of services and the sale of hardware.

Revenues from the sale of goods and products are recognized when all of the following conditions are satisfied:

- the significant risks and rewards of ownership of the goods and products have been transferred to the buyer,
- the company does not retain any control over the goods and products,
- the amount of revenue can be measured reliably,
- it is probable that the economic benefits associated with the transaction will flow to the Company (collectability),
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenues from the provision of services are recognized, when

- the amount of revenue can be measured reliably,
- it is probable that the economic benefits associated with the transaction will flow to the Company (collectability),
- the percentage of completion of the transaction can be reliably measured on the balance sheet date and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

As a matter of principle, the above conditions for the sale of goods and products are applied to the sale of software and licenses, i.e. the revenue is recognized upon the software being sold. In some cases, contracts for the sale of software include services which are not provided until after the sale of the software. Such "multi-component contracts" are split into revenue components and the resultant revenue recognized in accordance with the percentage of completion. Revenue components already paid but not yet recognized are deferred.

This has the following specific ramifications for the MeVis Group:

a. Software and licenses
License fees and royalties resulting from the utilization of assets (software) are recognized in accordance with the economic purpose of the agreement. In the absence of any agreement to the contrary, revenues are recognized on a straight-line basis over the duration of the license agreement.

The grant of unrestricted rights of utilization for a fixed amount (single licenses) constitutes a sale for economic purposes and is recognized as revenue in full.

b. Hardware
Revenues from the sale of hardware are recognized upon the transfer of risk.

c. Consulting services
Revenues from the provision of consulting services are recognized in the period in which the service in question is provided.

d. Maintenance
Revenues from maintenance contracts are recognized in the period in which the service in question is provided.

If the selling price of software includes partial amounts for after-sales service (e.g. maintenance), these amounts are deferred and recognized on a prorata basis over the periods in which the services are provided.

e. Training
As a matter of principle, the above conditions on the sale of services apply, i.e. the revenues are recognized upon the service being provided.

Recognition of expenses
Expenses are placed on the income statement in the period in which the corresponding depletion of value is caused.

Interest income
Interest income is recognized upon arising.

Interest expenses
Borrowing costs are recognized as expense. In accordance with IAS 23, borrowing costs are not capitalized.

Changes in presentation
In contrast to the financial statements as of December 31, 2007, currency translation gains and losses are reported within net financial result. The presentation was changed retroactively in accordance with IAS 8. The comparison figures for the prior periods were restated accordingly.

9. Effects of new accounting standards

MMS AG's consolidated financial statements as of December 31, 2008 including the previous year's figures have been prepared in accordance with IFRS as endorsed by the European Union as of December 31, 2008.

MMS AG applied the following standards and interpretations of the IASB for the first time in 2008:
- IFRIC 11 "Group and treasury share transactions in accordance with IFRS 2"
- IFRIC 14 "IAS 19 - The limit on a defined benefit asset, minimum funding requirements and their interaction"
- Revisions to IAS 39 "Financial instruments: recognition and measurement - reclassification of financial assets"
- Revisions to IFRS 7 "Financial instruments: disclosure: reclassification of financial assets"

IFRIC 11 "Group and treasury share transactions in accordance with IFRS 2"
In November 2006, IFRIC published IFRIC 11 "Group and treasury share transactions in accordance with IFRS 2". The interpretation provides guidance on the question as to how group-wide share-based payments are to be accounted for, the effects which a change of staff within a group have on IFRS 2 and how share-based payments involving an entity's own equity instruments or equity instruments acquired from a third party are to be treated. The change does not have any material effect on MMS AG's consolidated financial statement.

IFRIC 14 "IAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interaction"
On July 5, 2007, IFRIC released IFRIC 14 "IAS 19 - The limit on a defined benefit asset, minimum funding requirements and their interaction" This interpretation provides guidance on how defined benefit assets are to be measured in the case of minimum funding requirements. A defined benefit asset always arises if the fair value of the plan assets exceeds the present value of the defined benefit obligations. IFRIC 14 must be applied to accounting periods commencing on or after January 1, 2008. The change does not have any material effect on MMS AG's consolidated financial statement.

Revisions to IAS 39 "Financial Instruments: recognition and measurement – reclassification of financial assets"/Revisions to IFRS 7 "Financial instruments: disclosure: reclassification of financial assets"
In October 2008, IASB announced revisions to IAS 39 "Financial instruments: recognition and measurement – reclassification of financial assets" and IFRS 7 "Financial instruments: disclosure: reclassification of financial assets". The revisions to the "Reclassification of financial assets" was endorsed by the European Union in October 2008. Under the revised IAS 39, it is possible to reclassify certain originated financial assets at fair value through profit and loss. In this case, IFRS 7 calls for certain additional disclosures. The revisions took retroactive effect as of July 1, 2008. In the period under review, MMS AG did not have any financial assets eligible for reclassification in accordance with the revised IAS 39. The revisions to IAS 39 and IFRS 7 did not have any effect on MMS AG's consolidated financial statements.

The following standards and interpretations published by IASB and/or IFRIC were not yet mandatory for the MeVis Group's consolidated financial statements as of December 31, 2008 and were not early-adopted:

- Revisions to IFRS 2 "Share-based payments - vesting conditions and cancellation"
- IFRS 8 "Operating segments"
- IAS 1 "Presentation of financial statements" (2007)
- IAS 23 "Borrowing costs" (revised 2007)
- Revisions to IAS 32 "Financial Instruments: Presentation" and IAS 1 "Presentation of Financial Statements" – "Puttable Financial Instruments and Obligations Arising on Liquidation"
- Collective standard "Annual improvements to IFRS"
- Revisions to IAS 27 "Consolidated and separate financial statements – cost of an investment in a subsidiary, jointly controlled entity or associate" / Revisions to IFRS 1 "First-time adoption of international financial reporting standards - cost of an investment in a subsidiary, jointly controlled entity or associate"
- IFRIC 12 "Service concession agreements"
- IFRIC 13 "IFRIC Interpretation 13 – Customer loyalty programs"

Revisions to IFRS 2 "Share-based payments - vesting conditions and cancellation"
In January 2008, the International Accounting Standards Board (IASB) published revisions to IFRS 2 "Share based payments". These revisions now clarify that the conditions for exercise are only service conditions and performance conditions. They also state that the accounting rules for premature termination of the plan apply regardless of whether the plan is terminated by the reporting entity itself or another party. The revised standard must be applied for the first time to accounting periods commencing on or after January 1, 2009; earlier adoption is permissible.

IFRS 8 "Operation segments"
This standard was published by the IASB in November 2006 and requires the disclosure of information on the reporting entity's business segments. As such, it replaces the rules in the previous IAS 14, under which it was necessary to determine primary (business segments) and secondary (geographic segments) segment reporting formats. IFRS 8 follows the management reporting approach, under which segment reporting is based solely on the financial information used by the entity's management for decisions on the entity's business. IFRS 8 must be applied for the first time by capital market-oriented companies to accounting periods commencing on or after January 1, 2009; earlier adoption is permissible.

IAS 1 "Presentation of financial statements (2007)"
In September 2007, IASB published the revised IAS 1 "Presentation of financial statements: a revised presentation". This standard replaces the 2005 version. The revision seeks to improve the possibility for analyses as well as the comparability of financial statements for users. IAS 1 provides guidance on the presentation and structure of the financial statements. In addition, it sets out minimum requirements for the content of the financial statements. The new standard must be applied for the first time to accounting periods commencing on or after January 1, 2009; earlier adoption is permissible.

IAS 23 "Borrowing costs "(revised 2007)"
In March 2007, IASB published the revised IAS 23 "Borrowing costs". This revised standard stipulates that borrowing costs which can be directly attributable to the acquisition, construction or production of a qualifying asset must be capitalized. A qualifying asset is an asset that takes a substantial period of time to get ready for its intended use. This standard must be applied for the first time to borrowing costs for qualifying assets which are first recognized on or after January 1, 2009.

Revisions to IAS 32 "Financial Instruments: Presentation" and IAS 1 "Presentation of Financial Statements"
In February 2008, the IASB published revised versions of IAS 32 "Financial Instruments: Presentation" and IAS 1 "Presentation of Financial Statements" – "Puttable Financial Instruments and Obligations Arising on Liquidation". The amendments primarily concern the classification of certain types of financial instruments as equity or debt capital. In addition, further disclosures in the notes are stipulated for the financial instruments in question. The revised standards must be applied for the first time to accounting periods commencing on or after January 1, 2009; earlier adoption is permissible.

Collective standard "Annual improvements to IFRS"
In May 2008, the IASB released its first collective standard "Improvements to IFRS" detailing minor amendments to the existing IFRSs. This standard contains amendments to 20 IFRSs in two sections. The first section details changes affecting presentation, recognition and measurement. The second section comprises changes to wording or editorial changes. In the absence of anything to the contrary in the applicable standards, the revisions must be applied for the first time to accounting periods commencing on or after January 1, 2009; earlier adoption is permissible.

Revisions to IAS 27 "Consolidated and separate financial statements – cost of an investment in a subsidiary, jointly controlled entity or associate" / Revisions to IFRS 1 "First-time adoption of international financial reporting standards - cost of an investment in a subsidiary, jointly controlled entity or associate"
The revisions to IFRS 1 „First-time adoption of international financial reporting standards – cost of an investment in a subsidiary, jointly controlled entity or associate" and IAS 27 „Cost of an investment in a subsidiary, jointly controlled entity or associate" relate to the first-time application of IFRS and are of no relevance for the MeVis Group.

IFRIC 12 "Service Concession Agreements"
Published in November 2006, IFRIC 12 "Service Concession Agreements" provides accounting guidance for operators acting for public-sector customers under service concession agreements. IFRIC 12 would normally be applicable as of accounting periods commencing on or after January 1, 2008; however, it was not endorsed by the EU until March 26, 2009 and is therefore not applicable in the EU until accounting periods commencing on or after January 1, 2010.

IFRIC 13 "Customer loyalty programs"
IFRIC 13 "Customer loyalty programs" provides guidance on the recognition and measurement of customer loyalty programs under which a customer generally receives loyalty award credits or points which he may redeem by ordering free of discounted goods or services from the seller or a third party. IFRIC 13 stipulates that the proceeds from the initial sale must be split into two components. One part is for the current transaction giving rise to the loyalty award. The other part is the future transaction arising from the redemption of the loyalty award. The portion of the proceeds attributable to the goods or services already provided must be recognized as a liability in the form of an advance payment until the customer has redeemed the loyalty award and the obligation under the award has been settled. The interpretation must be applied for the first time to accounting periods commencing on or after July 1, 2008; earlier adoption is permissible.

The MeVis Group will not be applying any of the standards described until the 2009 financial year. The first-time application of the revised IAS 1 in particular will result in changes in the presentation of the consolidated financial statements due to the combined reporting of cash and non-cash income and expense in the statement of comprehensive income. We do not expect future application of IFRIC 12 and 13 or the revisions to the aforementioned standards to have any material influence on the presentation of our financial statements.

In 2008, IASB released the following standards, interpretations and revisions to existing standards which have not yet been endorsed by the EU:

- Revised version of IFRS 1 "First time adoption of international financial reporting standards";
- Revised version of IFRS 3 "Business combinations";
- Revised version of IAS 27 "Consolidated and separate financial statements";
- Revision by IAS 39 "Eligible hedged items – amendment to IAS 39 financial instruments: recognition and measurement";
- IFRIC 12 "Service Concession Agreements";
- IFRIC 15 "Agreements for the construction of real estate";
- IFRIC 16 "Hedges of a net investment in a foreign operation";
- IFRIC 17 "Distribution of non-cash assets from customers";
- IFRIC 18 "Transfers of assets from customers".

The MeVis Group will not be applying any of these standards until the 2009 financial year or later. We do not expect future application of IFRIC 12, 15-18 or the revisions to the aforementioned standards to have any material influence on the presentation of our financial statements. The effects of the revisions to IAS 27 and IFRS 3 on the Group's net assets, financial condition and results of operations will particularly depend on the acquisition and/or sale of shares in other entities executed by MMS AG after the first date on which these two standards are to be applied.

10. Business combinations in accordance with IFRS 3

Acquisition of the "Lung Diagnostics" business

On April 4, 2008, the subsidiary MMS Inc. acquired the "Lung Diagnostics" business with all business activities from R2 Technology Inc., a company owned by Hologic Inc. in the United States of America. This business primarily develops and markets the "R2 ImageChecker CT" software product, which since the takeover has been selling the new MeVis branded "Visia™ CT Lung System" via MMS Inc. It entails dedicated software for the computer tomography-based diagnosis of lung diseases and related therapy monitoring.

The strategic objective of the acquisition is the use of synergy effects in developing the software market for lung computer tomography systems.

As the business acquired satisfies the "business" criteria in Appendix A of IFRS 3, the cost of the business combination must be allocated in accordance with IFRS 3. The cost of the business combination as of the date of acquisition stands at T€ 5,329 and comprises the following intangible assets and other assets:

Figures in € 000s	Fair Value
Goodwill	3,616
Customer list	912
Software	477
Patents/licences	186
Inventories	95
Other assets	43
	5,329

The total cost of the business combination came to USD 8.4 million and comprised the present value of the purchase price of TUSD 9,000 and the costs directly attributable to the business combination of TUSD 56. The purchase price is payable in several cash tranches until September 30, 2010.

The net cash outflow from the date on which the software product was acquired and the balance sheet date stands at TUSD 3,000 (T€ 1,919). No cash was acquired in connection with the business combination.

In line with expectations, the renamed "Visia™ CT Lung System" business has contributed T€ 372 in sales revenues and an annual deficit of T€ 664 to the MeVis Group's profit and loss. Information on sales revenues and earnings of the "Lung Diagnostics" business unit for the period from the beginning of the year until the time of acquisition is not available to the Group. The goodwill of T€ 3,616 comprises the value of the synergistic benefits expected from the business combination.

Acquisition of 49% of the shares in MBS KG

On October 21, 2008, the Group acquired 49% of the shares in MBS KG, which was spun off from MBC KG as a joint venture between MMS AG and Siemens Aktiengesellschaft and comprises the Hologic business. This business comprises the development, marketing and sales of software and consulting services particularly in connection with multimodal soft-copy reading systems for the early detection, diagnosis and therapy of breast diseases with respect to digital mammography.

The transaction is classified as a business combination in accordance with IFRS 3 as for economic purposes the Hologic business was under the joint control of MMS AG and Siemens Aktiengesellschaft prior to this spin-off and is now under the sole control of MMS AG as a result of the acquisition. The net assets of the spun-off Hologic business will be revalued in full. As a step transaction is involved, the part of the revaluation covering the 51% of the shares held by MMS AG is allocated to the revaluation reserve in accordance with IFRS 3.59 et seq. The 49% share previously held by Siemens has been consolidated for the first time, with any differences resulting in goodwill. MBS KG was consolidated for the first time as of November 1, 2008 following the spin-off, this also being the date on which the 49% share was acquired from Siemens.

The fair values of MBS KG's identifiable assets and liabilities and the corresponding carrying amounts immediately prior to the date of acquisition are analyzed below:

FIGURES IN € 0005	Carrying amount	Fair value
Intangible assets	876	5605
Property, plant and equipment	105	105
Inventories	64	64
Trade receivables	2283	2283
Other assets	22	22
Claim for liquidity compensation against MBC KG	5036	5036
Provisions	-33	-33
Financial liabilities	-141	-141
Derivatives	-1508	-1508
Other liabilities and sales deferral items	-1260	-1260
Contingent liabilities	0	-2389
Deferred taxes	226	122
Net assets	**5670**	**7906**
"Less net assets already attributable to the 51% included in the quota consolidation"		-4581
Net assets attributable to the 49% acquired		**3325**
Goodwill		12489
Acquisition costs		**15814**
Less purchase price components still payable		13215
Net cash outflow arising from the transaction		**2599**

The total cost of the business combination came to T€ 15,814 and comprised the present value of the purchase price of T€ 15,715 million and the costs directly attributable to the business combination of T€ 99. The purchase price is payable in several installments up until 2013 and its precise amount is contingent upon certain conditions being satisfied. The purchase price paid to Siemens comprises a cash component payable over a period up until 2012 as well as the grant of license credits between 2010 and 2013.

The main value-determining factor of the acquisition is the employee base, which constitutes the core of the business relations with Hologic Inc. and is to be further developed via it. Accordingly, this is to be reflected appropriately in the goodwill. In addition the existing business relations with Hologic Inc. must be measured as a separately identifiable asset and the main asset of the Hologic business. The value of the contractual value (T€ 4.091) is based on the future financial benefits which MBS KG can derive from it. It is measured in accordance with the residual value method resp. the multi-period excess earnings method (MEEM) on the basis of MBS KG's business plan up until 2013. The present value of the cash flows net of all costs is calculated using the discounted cash flow method on the basis of an interest rate of 9.85% for matching terms and risk.

In connection with the revaluation of MBS KG, utilization rights granted or transferred for patents and expertise (specifications and source codes) were also identified as assets valued at T€ 1,393. These assets (collectively referred to as "technology") constitute material components for the development and production of the products for Hologic. The technology is measured in accordance with the relief-from-royalty method, under which the value of the technology is calculated as the present value of the costs (license fees) saved by not having to license-in the technology on standard market terms, in this case 4%. To determine the license fees saved as a result of the acquisition, the license rate is placed in proportion to the relevant part of the sales in MBS KG's business plans. The financial excesses thus calculated were capitalized at a rate of 8.85% deemed appropriate for the term in question. Of the assets subsumed under technology, development costs amounting to T€ 755 had already been capitalized, resulting in T€ 638 in reserves being reported.

Of the reserves reported, totaling T€ 4,729 less deferred taxes amounting to T€ 1,419, 51% was accounted for by the holding in MBS KG, which has already owned by the Group in the past. This partial amount of T€ 1,688 was allocated to the revaluation reserve with no impact on profit and loss.

Since the date of acquisition, MBS KG has contributed T€ 530 to the Group's earnings. Of this sum, T€ 260 is accounted for by the subsequently purchased 49%. If the business combination had been executed at the beginning of the year, consolidated earnings would have come to T€ 4,470 and revenues to T€ 15,104. The goodwill of T€ 12,489 comprises the value of the synergistic benefits expected from the business combination.

Notes on consolidated income statement

11. Revenues

Revenues break down by type as follows:

FIGURES IN € OOOS	**Jan. 1, 2008 – Dec. 31, 2008**	Jan. 1, 2007 – Dec. 31, 2007
Software and licenses	9,231	7,008
Maintenance (software service contracts)	1,056	738
Services (consulting and training)	281	90
Hardware	276	56
	10,844	7,892

The breakdown by segment is disclosed in the segment report (Appendix 3 of the Notes and Note 36).

12. Income from the capitalization of development expenses

In 2008, development and research expense of T€ 3,694 (2007: T€ 2,830) arose. In accordance with IAS 38, development costs of T€ 1,942 (2007: T€ 0) were capitalized. Further details are provided in Note 21.

13. Other operating income

FIGURES IN € 000S	**2008**	2007
Grants	413	464
Income from derecognition of liabilities	384	0
Income from the reversal of provisions	119	98
Off-period income	26	0
Others	120	202
	1,062	764

14. Cost of materials/cost of services purchased

FIGURES IN € 000S	**2008**	2007
Cost of materials	241	407
Cost of services purchased	126	243
	367	650

15. Staff costs

FIGURES IN € 000S	**2008**	2007
Wages and salaries	6,327	3,571
Social security charges and expenditure on old age pensions and support	1,298	631
	7,670	4,202

Social security and old-age pension and related expenses include the employer contribution to the government pensions scheme for employees of T€ 846 (2007: T€ 274).

The annual average headcount was 181 (2007: 92). This is equivalent to an average of 138 full-time positions. Of the 181 employees, 49 (2007: 43) are assigned to the proportionately consolidated company MeVis BreastCare GmbH & Co. KG. The annual averages include 57 (2007: 28) testers and temporary staff at the Group level.

16. Other operating expenses

FIGURES IN € 000S	**2008**	2007
Legal and consulting costs	990	984
Rental expense	483	150
Travel expense	269	110
External work	216	14
Personnel recruiting	210	60
Cost of preparing and auditing financial statements	168	389
Base finance	143	70
Maintenance	130	67
Contributions	96	10
Guarantee expense	93	25
Accounting costs	92	63
Advertising	88	59
Supervisory Board remuneration	81	68
Insurance	68	7
Energy costs	57	38
Internet expense	53	9
Office supplies	50	38
Telephone expense	36	16
Cleaning expense	34	11
Vehicle costs	34	12
Cost of annual general meeting	32	0
Others	631	355
	4,054	2,555

The base finance to MRE GmbH was paid on account of MMS AG's shareholder status within MRE GmbH in 2007. Upon the signing of the sale and transfer agreement on June 30, 2008, MMS AG ceased to be a shareholder of MRE GmbH.

17. Depreciation and amortization of intangible assets and property, plant and equipment

FIGURES IN € 000S	**2008**	2007
Amortization of patents and licences, similar rights and customer base	601	223
Amortization of capitalized development expenditure	104	0
Depreciation of property, plant and equipment	387	220
Total amortization/depreciation	**1,092**	443

18. Interest income/interest expense and other net financial result

The MeVis Group recorded a financial result of T€ 2,041 in 2008 (2007: T€ -319). This comprises interest income from the investment of cash of T€ 1,052 (2007: T€ 198) net of interest expense of T€ 321 (2007: T€ 137) and other financial result of T€ 1,310 (2007: T€ - 310). Other financial result primarily comprises the gains in the value of derivative financial instruments of T€ 643 plus the currency translation gains net of currency translation losses of T€ 667 (T€ -310).

19. Income tax expense

FIGURES IN € OOOS	**2008**	2007
Current income taxes	1,117	469
Effects of taxes from previous years	-8	-85
Deferred taxes	-517	-29
	592	355

Deferred tax assets and liabilities are calculated on the basis of an income tax rate of 30% (2007: 30%), provided that the temporary differences reverse in 2009 or later.

Deferred tax assets on unused tax losses are calculated on the basis the applicable tax rates. In the case of Germany, this is 15% for trade tax losses and 15.8% for corporate tax losses. In the case of the United States, a uniform tax rate of 39% is applied.

FIGURES IN € OOOS	**2008**	2007
Earnings before taxes (EBT)	2,706	487
Theoretical tax 30.0%	812	195
Tax effect on:		
Change in tax rate	0	155
Differences in tax rates for foreign subsidiaries	-124	0
Retroactive recognition of deferred taxes	-62	0
Effects of taxes from previous years	-54	-85
Non-deductible expenses	39	52
Other	-19	38
Effective tax expense	**592**	355
Effective tax rate	21.9%	72.9%

Deferred income taxes break down as follows as of the balance-sheet date:

FIGURES IN € 000S	2008	2007
Deferred tax assets		
Unused tax losses	848	845
Intangible assets and property, plant and equipment	185	222
Provisions	12	0
Derivatives	69	0
Inventories/other receivables	1605	16
Other financial liabilities	0	1
Deferred tax assets gross	**2719**	1984
Offset	-308	-5
Deferred tax assets	**2411**	1079
Deferred tax liabilities		
Other financial liabilities	60	0
Intangible assets and property, plant and equipment	1000	2
Derivatives	91	3
Gross deferred tax liabilities	**1151**	5
Offset	-308	-5
Deferred tax liabilities	**843**	0

Deferred tax assets on unused tax losses break down as follows:

FIGURES IN € 000S	2008	2007
Unused corporate tax losses of the companies	1,435	1,531
Unused trade tax losses of the companies	1,926	4,104
Deferred tax assets gross	**848**	845
Non-recognized deferred tax assets on unused tax losses	0	0
Deferred tax assets on unused tax losses net	**848**	845

20. Earnings per share

Earnings per share equal the profit on continuing activities or profit (after tax) divided by the weighted average number of shares outstanding during the year under review. Earnings per share (fully diluted) are calculated on the assumption that all securities, stock options and stock awards with a potentially dilutory effect are converted or exercised.

As the criteria for exercising the options had not been satisfied as of the balance sheet date, it can be assumed that no options had been exercised by the employees and that no shares had been awarded to Mr. Tynes. Accordingly, they are not included in the calculation of earnings per shares with the result that diluted earnings per share equal basic earnings per share.

The weighted average number of shares outstanding is calculated on the basis of the chronologically weighted average of bought-back and re-issued shares.

FIGURES IN € 000S	**2008**	2007
Consolidated net profit for the year	2.114	132
Weighted average of shares outstanding during the reporting period	1.741.254	769.584
Basic earnings per share in €	**1.21**	0.17
Diluted earnings per share in €	**1.21**	0.17

Notes on the consolidated balance sheet

21. Intangible assets, property, plant and equipment and shares in associates

Movements in production and acquisition costs and cumulative amortization expense for intangible assets (including goodwill) and for property, plant and equipment for 2008 and 2007 are set out in the statement of changes in assets in Appendices 1 and 2 to the Notes.

The main additions to intangible assets in 2008 relate to the business combinations described in Note 10 (acquisition of the "R2 ImageChecker CT" business) and the acquisition of the 49% share previously held by Siemens in MBS KG.

Net carrying amounts

Figures in € 000s				Assets and licenses
	Acquired Assets with a definite useful life	Internally generated intangible assets in a definite useful life	Goodwill	Total
Balance on Dec, 31 2007	1,241	0	147	1,388
Balance on Dec, 31 2008	8,006	2,138	16,732	26,876

The changes in intangible assets with a definite useful life primarily relate to the inclusion of a contractual relationships and customer list valued at T€ 4,091 and T€ 912, respectively, in connection with a business combination. In addition, this item contains acquired development services to the amount of T€ 370.

In accordance with IAS 38, software development costs of T€ 2,242 were capitalized as internally generated intangible assets with a definite useful life for the first time in 2008. These comprise the capitalization of internally generated expenses of T€ 1,942 and the capitalization of services purchased of T€ 300. Amortization expense of T€ 104 was recognized in connection with the capitalized development costs in the year under review.

This goodwill was allocated to individual cash-generating units as of the date of acquisition for future impairment testing purposes. These units match the legal entities constituting the primary segments in segment reporting. Annual impairment testing is conducted as of December 31. The cash generating units with their respective goodwill as of the balance sheet date are shown at their carrying amounts in the following table.

Carrying amounts per cash generating unit

FIGURES IN € 000S

	Dec. 31, 2008	Dec. 31, 2007
	Goodwill	Goodwill
Digital Mammography		
MeVis BreastCare Solutions GmbH & Co. KG	12,489	0
MeVis BreastCare GmbH & Co. KG	0	0
Other Diagnostics		
MeVis Medical Solutions AG	147	147
MeVis Medical Solutions, Inc.	4,096	0

Goodwill was tested for any evidence of impairment as of December 31, 2008. Under IAS 36 "Impairment of assets", impairment loss must be recognized if the recoverable amount of the cash-generating unit is lower than its carrying amount. The DCF method was used to calculate the value in use as the recoverable amount of the cash-generating unit. This was based on the cash flows forecast by the Company over a detailed planning period of 5 years. This planning period reflects expected short and medium-term market trends. In addition, a going concern value was determined for the cash-generating unit.

The going concern value equals the present value of the free cash flows after the expiry of the detail planning period. For the purposes of impairment testing, a growth rate of between 1 and 2 percent in the cash flows is assumed for the period after the detailed planning phase. The underlying exchange rate for the US dollar is EUR 1.40. The cash flows were discounted in the light of the specific tax effects at a cost of capital rate of 7,30% after taxes for the goodwill atttributable to the USD region at the level of MeVis Medical Solutions Inc. and otherwise at 9.35% after taxes.

The impairment test performed in accordance with IAS 36 in 2008 did not identify any impairment losses.

Movements in property, plant and equipment in 2008 were materially influenced by the extensions to the headcount and related spending on rental fixtures as well as office and business equipment. Spending on property, plant and equipment came to a total of T€ 1,392 (2007: T€ 302).

In 2007, the shares in associates accounted for using the equity method comprised a share in MRE GmbH. This is an associated company in which MMS AG holds 25.1%. The acquisition costs came to T€ 34. Under the terms of a contract entered into on June 30, 2008 by and between MMS AG and Verein zur Förderung der wissenschaftlichen Forschung in der Freien Hansestadt Bremen e.V. as shareholders of MRE GmbH, MMS AG sold its share in MRE GmbH to enable the conversion of this entity into a Fraunhofer Institute für Bildgestützte Medizin MeVis. The 25.1% share was transferred at its carrying amount and resulted in a disposal of assets of T€ 34.

22. Inventories

Inventories comprises licenses (T€ 7; 2007: T€ 4) which are integrated in the software sold and dongles (T€ 59; 2007: T€ 3) required to activate the software sold. In addition, inventories include hardware (T€ 88, 2007: T€ 0) which are sold in connection with Visia™ ImageChecker CT. Inventories are recognized in the income statement when the corresponding revenues are realized.

23. Trade receivables and other (financial) assets

Trade receivables

No adjustments have been made to trade receivables overdue as of the reporting date as there was no evidence of any material change in the credit worthiness of the small number of debtors and it is therefore assumed that the amounts owing will be paid in due course. On average, the overdue receivables of T€ 1,595 (2007: T€ 1,864) are 16 days (2007: 71 days) old. The Group does not hold any collateral for these outstanding items.

All trade receivables of T€ 2,345 (2007: T€ 2,593) are due for settlement within one year.

FIGURES IN € 000S

			Thereof: not impaired at the balance sheet date and overdue during the following time bands						
	Carrying amount	of which impaired:	not overdue	less than 30 days	between 31 und 60 days	between 61 and 90 days	between 91 and 180 days	between 181 and 360 days	more than 360 days
Trade receivables									
as of December 31, 2008	2.345	0	750	1,568	13	5	7	1	1
as of December 31, 2007	2.593	0	729	637	597	365	151	26	88

In 2008 no trade receivables were derecognized. Nor were any payments towards previously derecognized receivables received.

Other financial assets

FIGURES IN € 000S	2008		2007	
	Total	of which current	Total	of which current
Loans and receivables	3,661	3,661	512	512
Derivatives	303	303	47	47
Other securities	5,000	5,000	0	0
Accrued interests	195	195	0	0
	9,159	**9,159**	559	559

Loans and receivables of T€ 3,503 (2007: T€ 270) are due from the MBC KG minority shareholder, of T€ 133 (2007: T€ 188) from MRE GmbH/Fraunhofer MEVIS and of T€ 25 (2007: T€ 54) from shareholders.

As of the balance sheet date, the Group had 31 forward currency transactions (2007: 1) and 0 (2007: 5) USD-denominated options outstanding.

In the third quarter of 2008, a promissory note loan of T€ 5,000 was subscribed for a period expiring March 2, 2009 at an annual interest rate of 5.19%.

The other financial assets of T€ 9,159 (2007: T€ 559) are due for settlement within one year within the following short-term maturity bands:

FIGURES IN € 000S

			of which: with a term to maturity of					
	Carrying amount	of which impaired:	less than 30 days	between 31 and 60 days	between 61 and 90 days	between 91 and 180 days	between 181 and 360 days	more than 360 days
Other financial assets								
as of December 31, 2008	9,159	0	3,611	3	5,089	25	303	128
as of December 31, 2007	559	0	5	97	11	370	76	0

Other assets

Other assets primarily comprise current miscellaneous tax refund claims of T€ 1,042 (2007: T€ 368).

The fair value of receivables and other assets equals their carrying amount.

With respect to receivables and other assets, there is no evidence as of the balance sheet date that the debtors will not settle their payment obligations.

24. Cash and cash equivalents

The assets contained in this item are due for settlement in 0 to 3 months and comprise current accounts at banks and overnight deposits of T€ 5,256 (2007: T€ 9,669) subject to interest of between 0.5% and 4.0% p.a. and fixed term deposits at banks of T€ 10,000 (2007: T€ 18,800) subject to interest of between 4.9% and 5.1% p.a. In addition, there is cash in hand of T€ 1 (2007: T€ 2).

25. Shareholders' equity

Movements in the subscribed capital, share premium, treasury stock, currency translation reserve and net profit are analyzed in the statement of changes in equity.

Subscribed capital

MMS AG's share capital stands at € 1,820,000 (2007: € 1,820,000) and is divided into 1,820,000 (2007: 1,820,000) no-par-value shares. As of December 31, 2008, there was authorized capital of T€ 130 and also contingent capital of T€ 130. The shares held by the Company's shareholders who had previously been shareholders prior to MMS AG's stock market flotation - with the exception of those held by Mr. Peter Kuhlmann-Lehmkuhle - are subject to a lock-up period of fifteen months starting on the date on which the Company's shares were listed for the first time. As of December 31, 2008, 1,063,221 no-par-value shares are subject to this lock-up.

There were no other changes in the year under review.

Share premium

The share premium of T€ 28,363 (2007: T€ 28,276) primarily comprises the premium on the equity issue of T€ 28,080 arising from MMS AG's stock-market flotation in 2007. Net flotation expenses of T€ 1,139 were deducted from equity. This includes tax relief of T€ 505. The sale of treasury stock in 2007 resulted in an increase of T€ 1,314. In addition, the Group share premium includes an amount of T€ 108 attributable to stock options. The stock options have a period of 5 years as of the date on which they are granted and may only be exercised after a vesting period of 2 years. The exercise price payable by the option holder equals the average closing price of the share in Xetra trading for the last five trading days prior to the end of the subscription period in which the options in question were granted.

The share premium of MMS AG of T€ 28,080 is not available for a dividend distribution.

Revaluation reserve

In connection with the acquisition of the 49% interest in MBS KG from Siemens AG (see Note 10) and the subsequent full consolidation of MBS KG, it was necessary to completely remeasure the assets and liabilities of MBS KG. Where this increase was attributable to the 51% interest in MBS KG already held by the Group, the difference was recognized within the revaluation reserve. The amount of T€ 1,688 comprises intangible assets of T€ 2,411 net of deferred tax of T€ 723. Amounts equaling the depreciation expense recognized on these assets are reclassified as retained earnings on a proportionate basis.

FIGURES IN € OOOS	2008
Status as at Jan. 1, 2008	0
+ Constituted by the revaluation of the 51% corporate holding in MBS KG	2,411
- deferred tax liabilities following the revaluation	-723
Allocation to the revaluation reserve	1,688
- Transfers of the amount corresponding to write-downs and the associated deferred taxes to consolidated equity generated, without an impact on profit and loss	-9
Status as at Dec. 31, 2008	**1,679**

Treasury stock

In accordance with a resolution passed by the shareholders on September 28, 2007, the Company was authorized to buy back its own stock in accordance with Section 71 (1) No. 8 of the Stock Corporation Act in an amount of up to ten percent of its current share capital (T€ 1,300) on or before March 27, 2009. As of December 31, 2007, MMS AG's treasury stock comprised a total of 37,800 shares. The Executive Board decided on March 4, 2008 to initially buy back a further volume of up to 53,200 of the Company's own shares via the stock market on or before August 30, 2008. As part of this stock buyback program, the Company acquired 53,200 of its own shares for a total amount of EUR 1,502,216,85 as of June 17, 2008.

In connection with the acquisition of the software product Colotux for a total of T€ 220 on October 23, 2008, half of an initial installment towards the purchase price of T€ 110 was settled in the form of treasury stock (total of 1,832 shares at a price of T€ 55).

In accordance with a new resolution passed by the shareholders at the annual general meeting on July 9, 2008 concerning the acquisition of the Company's own stock in accordance with Section 71 (1) No. 8 of the Stock Corporation Act, the Company was authorized to acquire up to 10% of its current share capital (T€ 1,820) on or before January 8, 2010. On November 4, 2008, the Executive Board decided to buy up to a further 91,000 of the Company's own shares. As of that date, the Company's treasury stock comprised 91,000 shares. In connection with the stock buyback program, the Company bought back 20,331 of its shares in a total amount of € 701,173.69 as of December 31, 2008, equivalent to around 6% of its share capital.

The reserve for treasury stock, which – in this respect – was created during the formulation of the annual financial statements of MMS AG and which amounts to T€ 3,694 (2007: T€ 1,546) is not available for the distribution of dividends.

Currency translation reserve

The currency translation reserve results from the translation of the annual financial statements of MMS Inc. from the local currency (US dollar) to the reporting currency (euro).

Retained earnings

Retained earnings include statutory reserves of T€ 5 in accordance with Section 150 of the Stock Corporation Act. In accordance with Section 150 (2) it is not necessary to form any further statutory reserves. In addition, this item includes retained earnings from previous years and the earnings for the current year.

26. Provisions

Provisions for pensions relate to defined benefit pension commitments, which were given for the first time in the year under review. The extent of the pension benefits varies in principle according to the conversion of remuneration and an annual interest rate of 4%. The underlying discount rate amounts to 6.0%. The valuation of, and accounting for, pension and related benefits as well as the expenditure necessary to cover these obligations are generally effected according to the projected unit credit method stipulated in IAS 19 "Employee Benefits". Future annual increases in income and entitlements by the time a pension can first be drawn are not taken into account in the calculation.

The following table shows the development of the cash entitlement values determined in accordance with IAS 19:

FIGURES IN € 000S	**2008**	2007
Defined benefit obligation at the beginning of the financial year	**0**	0
Employee's share	32	0
Employer's share	7	0
Actuarial gains and losses	0	0
Defined benefit obligation at the end of the financial year	**39**	**0**

A reduction of the interest rate for calculation purposes by 0.5 percentage points, to 5.5%, would increase the defined benefit obligation (DBO) to T€ 44 as at the December 31, 2008 valuation date.

An increase in the interest rate for calculation purposes by 0.5 percentage points, to 6.5%, would lower the defined benefit obligation (DBO) to T€ 35 as at the December 31, 2008 valuation date.

Total expenses on defined benefit commitments reported within personnel expenditure are broken down as follows:

FIGURES IN € 000S	**2008**	2007
Past service cost: present value of benefit entitlements earned in the financial year	39	0
Interest expense: interest on the entitlements already vested	0	0
Amortization of actuarial losses	0	0
Net pension expenditure on benefit commitments	**39**	0

Movements in other – current – provisions were as follows in fiscal 2008:

FIGURES IN € 000S	**Status 01/01/08**	Utilization	Reversal	Addition	Change Companies consolidated	**Status 12/31/08**
Guarantee provisions	51	0	0	104	25	180

The guarantee provisions relate to the contractual guarantee obligations towards customers.

27. Other non-current financial liabilities

FIGURES IN € 000S	**2008**	2007
Liability from 49% acquisition of MBS KG	10,819	0
Liability from acquisition of R2 ImageChecker CT	1,771	0
Liability towards MRE GmbH	462	613
Other	85	76
	13,128	689

Non-current other financial liabilities arise from the acquisitions described in Note 10.

Of the total purchase price for 49% of the shares in MBS KG, a sum of T€ 2,500 was due immediately upon the contract being signed. The other purchase price installments are discounted at interest rates equivalent to the applicable terms of between 4.26% and 4.85%. The amounts due as of 2010 are recorded here, while those due for payment in 2009 (T€ 2,487) are recognized as current liabilities.

The "R2 ImageChecker CT" business was acquired for TUSD 9,000. Of this, an amount of TUSD 3,000 was payable in 2008. The other purchase price installments are discounted at interest rates equivalent to the applicable terms of 5.3%. The amounts due in 2010 are recorded here, while those due in 2009 (T€ 2,273) are recorded under current liabilities.

The liability to MRE GmbH/Fraunhofer MEVIS relates to the acquisition of the "MeVisLab" software package, which is being used within the MeVis Group as a software platform. The liability is to be discharged in quarterly installments of T€ 46 until September 30, 2012. The amount of T€ 176 due for payment in 2009 is reported within other current financial liabilities. Generally speaking, the liability is reported at its present value calculated on the basis of an interest rate of 5.5%.

28. Bank borrowings

Bank borrowings comprise USD-denominant current account liabilities to Commerzbank AG subject to an interest rate of 8.7% p.a.

29. Other current financial liabilities

Other current financial liabilities contain the following items:

FIGURES IN € OOOS	2008	2007
Liability from 49% acquisition of MBS KG	2,487	0
Liability from acquisition of R2 ImageChecker CT	2,273	0
Staff liabilities	628	516
Derivative financial instruments	229	0
Liabilities to MRE GmbH	191	592
Liabilities to Supervisory Board	18	68
Miscellaneous other financial liabilities	28	874
Other financial liabilities	5,854	2,050

Reference should be made to Notes 10 and 27 for details of the the liabilities from the acquisition of the 49% shares in MBS KG and the "R2 ImageChecker CT" business.

Staff liabilities primarily comprise bonus payments and the cost of accrued vacation entitlement.
Derivative financial instruments relate to the negative market values of the currency hedges.
The liabilities to MRE GmbH/Fraunhofer MEVIS primarily comprise the current component (T€ 176) of the other non-current financial liabilities (T€ 176) referred to in Note 27.

The loan by MBC KG relates to the last repayment instalment due to the proportional consolidated MBC KG. It was repaid in full by MMS AG during the financial year 2008. The loan bore a rate of interest of 7.5%.

30. Deferred income

This item comprises income components paid but not recognized under multi-component contracts. In addition, payments received under maintenance contracts are deferred if the corresponding maintenance services have not yet been provided.

31. Miscellaneous other liabilities

Miscellaneous other financial liabilities contain the following items:

FIGURES IN € OOOS	2008	2007
Liabilities from grants	197	662
Liabilities from government funding	187	0
Current tax liabilities	145	62
Miscellaneous other liabilities	136	44
Miscellaneous other liabilities	665	768

The current tax liabilities primarily comprise value added tax as well as payroll and church tax. Liabilities from grants relate to the contribution to development costs made by customer Invivo Corporation for certain development activities. They are taken to the income statement as soon as the development costs for which they are received are incurred.

Liabilities under grants refer to the advance payments received from the HAMAM research project. The current tax liabilities primarily entail VAT liabilities as well as payroll and church tax.
32. Contingent liabilities

MMS AG is under an obligation to grant a loan of up to T€ 820 to joint venture MBC KG, which is consolidated on a proportionate basis, at standard bank conditions in the event that the latter company's capital requirements exceed the capital contributions paid in by the shareholders. The MeVis Group's share in this obligation stands at T€ 402.

32. Contingent liabilities

MMS AG is under an obligation to grant a loan of up to T€ 820 to joint venture MBC KG, which is consolidated on a proportionate basis, at standard bank conditions in the event that the latter company's capital requirements exceed the capital contributions paid in by the shareholders. The MeVis Group's share in this obligation stands at T€ 402.

33. Financial obligations

FIGURES IN € 000S	Total	Less than 1 year	1 to 5 years	over 5 years
Rental contracts	1,858	347	1,511	0
Leases	91	36	55	0
MRE base finance obligation	0	0	0	0
Liability from the MRE grant	925	370	555	0
Total financial obligations				
December 31, 2008	**2,874**	**753**	**2,121**	**0**
Rental contracts	1,448	334	1,114	0
Leases	43	16	27	0
MRE base finance obligation	281	281	0	0
Liability from the MRE grant	925	185	740	0
Total financial obligations				
December 31, 2007	2,697	816	1,881	0

The rental contracts comprise solely leases for office space for limited periods of time. In the year under review, rental expenses of T€ 464 (2007: T€ 143) were incurred by the Group and are presented within other operating expenses. The rental contracts provide for a non-terminable sublease with MBC KG for the duration of the agreed term of the contracts of five years. As a result, the Group will receive minimum payments of T€ 226 from its joint venture partner over the next few years (including T€ 70 in one year and T€ 156 between one and five years). In the year under review, income of T€ 43 from costs recharged to MBC KG from the non-consolidated part are included in other operating income.

In 2008, all the leases held by the MeVis Group were operating leases for motor vehicles and copiers. Economic ownership rights in the leased assets are retained by the respective lessor. The MeVis Group recognizes lease payments as expense. In 2008, other operating expenses totaled T€ 19 (2007: T€ 7).
The MRE GmbH base finance obligation results from the revised articles of incorporation of MRE GmbH, which provide for MMS AG to pay MRE GmbH an annual advance of 25% of the institutional grants received in the same year from the government (Free Hanseatic City of Bremen). As MMS AG ceased to be a shareholder of MRE GmbH on June 30, 2008, this obligation expired.

The MRE grant obligation refers to the annual financial facility of T€ 185 available to MRE GmbH over a period of five years as consideration of the purchase by MMS AG of the MeVisLab software package in 2007.

34. Management of financial risks

The Group's international business operations particularly expose it to fluctuations in exchange rates. For this reason, it pursues a policy of hedging these risks. Hedges are entered into with investment-grade national banks, whose credit ratings are regularly monitored by leading rating agencies.
In accordance with IFRS, derivative financial instruments are reported at their fair value. IFRS provides for strict hedge accounting rules with respect to the correlation of the hedging instrument and the hedged item and for documenting hedge relationships. In the periods described here, the Company did not engage in any hedges at the individual transaction level but on the basis of expected payment transactions on a portfolio basis. Accordingly, a clear allocation of hedging instrument and hedged item is not possible. Consequently, hedge accounting as provided for in IAS 39 is not utilized. Any changes in fair value are recognized in profit and loss.

In addition to the aforementioned exchange rate risks, the MeVis Group is also exposed to financial risks in the form of liquidity and payment default risks.

The MeVis Group provides the details stipulated by IFRS 7 such as the source of risks from financial instruments and the methods used to manage risk in the Group management report.

Management of exchange rate risks

Where necessary, the Group enters into different types of currency contracts to manage exchange rate risks resulting from the cash flow from (expected) business activities denominated in foreign currencies. The transaction risk is measured in each relevant foreign currency. The Group's exchange rate exposure is due to its global business activities, particularly the sale of its products to US customers which are invoiced in US dollars.

As of the balance sheet date, the Group had 31 forward currency transactions (2007: 1) and 0 (2007: 5) USD-denominated options outstanding. The fair value of the contracts is calculated by the banks.

The scope and the market values of the derivatives were as follows as of December 31, 2008:

Forwards for hedging purposes Expected revenues in € 000s	**Nominal values Dec. 31, 2008**	**Market value Dec. 31, 2008**	Nominal values Dec. 31, 2007	Market value Dec. 31, 2007
Currency options	0	0	2,060	46
Currency forwards	13,150	74	680	1

The options have different terms and expire between January 31, 2008 and December 31, 2011.

Liquidity risks

The Group requires sufficient liquidity to settle its financial obligations. Liquidity risks arise when customers are unable to meet their obligations towards the MeVis Group in the course of normal business. In particular, the Group has cash and cash equivalents of T€ 15,257 as well as securities investments of T€ 5,000 falling due in the short term particularly as a result of the stock market flotation. Moreover, the Group has a sufficient credit rating to raise sufficient liquidity. In addition, it has unutilized credit facilities. The liquidity risks are managed on the basis of rolling liquidity planning.

Risks of payment default

Risks of payment default, i.e. the risk of counterparties failing to meet their payment obligations, are managed by means of credit approvals, the definition of maximum limits and monitoring processes. To manage these risks, the Group periodically reviews its customers' solvency.

The Group does not expect any defaults on the part of business partners with a favorable credit rating. As it generates most of its revenues with five customers, there is a strong credit risk cluster in connection with a certain customer group. As the Group has maintained business relations with these customers, all of which have a very good credit rating and enjoy high renown, for several years and no defaults have arisen to date, the Board of Directors does not see any significantly heightened risk of default. Provision has been made in the balance sheet for the maximum default risk.

Fair value of financial instruments

Fair value is defined as the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction (except in the case of foreclosure or liquidation proceedings). Depending on the specific circumstances, fair values are calculated using market price listings or discounted cash flow or option models.

The following methods and assumptions are used to estimate the fair value of the individual classes of financial instruments.

Non-current financial liabilities

The fair value of the non-current financial liabilities is calculated using the discounted cash flow method based on an interest rate of 5.5% p.a. appropriate in the light of the applicable term.

Financial assets and current financial liabilities

The carrying amounts of cash and cash equivalents, other financial assets and current financial liabilities are more or less equal to their fair values on account of the relatively short settlement period for these items. Where no listed market prices are available, the fair value of publicly traded financial instruments is estimated on the basis of the listed market prices of identical or similar assets. In the case of all other financial instruments for which no listed market prices are available, the fair value is based on the expected cash flow or the net asset value of the item in question. All carrying amounts are more or less the same as the fair value of the items in question.

Derivative financial instruments

Derivatives used as hedging instruments with positive (negative) fair values are classed as other current assets (liabilities) or as other non-current (liabilities) depending on their term.

The following analysis sets out the carrying amounts, measurement methods and fair values of the financial instruments by category:

			Recognized in accordance with IAS 39				
FIGURES IN € 000S	Categorized in accordance with IAS 39	**Carrying amount as of Dec. 31, 2008**	Amortized cost	Cost	Fair value in equity	Fair value in P/L	**Fair value as of Dec. 31, 2008**
Assets							
Trade receivables	LaR	2,345	2,345	0	0	0	2,345
Securities	HtM	5,000	5,000	0	0	0	5,000
Other financial assets	LaR	3,856	3,856	0	0	0	3,856
Other financial assets	Derivatives	303	0	0	0	303	303
Cash and cash equivalents		15,257	15,257	0	0	0	15,257
Equity and liabilities							
Other non-current financial liabilities	FLAC	13,062	13,062	0	0	0	13,062
Trade payables	FLAC	1,038	1,038	0	0	0	1,038
Bank borrowings	FLAC	465	465	0	0	0	465
Other current financial liabilities	Derivatives	229	0	0	0	229	229
Other current financial liabilities	FLAC	5,682	5,682	0	0	0	5,682
Of which aggregated by category according to IAS 39:							
Loans and receivables (LaR)		6,201	6,201	0	0	0	6,201
Financial assets held to maturity (HtM)		5,000	5,000	0	0	0	5,000
Derivatives		74	0	0	0	74	74
Financial liabilities measured at amortized cost (FLAC)		20,247	20,247	0	0	0	20,247

			Recognized in accordance with IAS 39				
FIGURES IN € 000S	Categorized in accordance with IAS 39	**Carrying amount as of Dec. 31, 2007**	Amortized cost	Cost	Fair value in equity	Fair value in P/L	**Fair value as of Dec. 31, 2007**
Assets							
Trade receivables	LaR	2,593	2,593	0	0	0	2,593
Other financial assets	LaR	512	512	0	0	0	512
Other financial assets	FAFVPL	47	0	0	0	47	47
Cash and cash equivalents		28,471	28,471	0	0	0	28,471
Equity and liabilities							
Other non-current financial liabilities	FLAC	689	689	0	0	0	689
Trade payables	FLAC	652	652	0	0	0	652
Bank borrowings	FLAC	154	154	0	0	0	154
Other current financial liabilities	FLAC	2,050	2,050	0	0	0	2,050
Of which aggregated by category according to IAS 39:							
Loans and receivables (LaR)		3,105	3,105	0	0	0	3,105
Financial assets at Fair Value through Profit or Loss (FAFVPL)		47	0	0	0	47	47
Financial liabilities measured at Amortized Cost (FLAC)		3,545	3,545	0	0	0	3,545

The contractually agreed (non-discounted) interest and capital payments for the originated financial liabilities break down as follows as of the balance sheet date:

		Cash Flows 2009			Cash Flows 2010–2013			Total		
FIGURES IN € 000S	**Carrying amount**	Fixed interest rate	Floating interest rate	Repay-ment	Fixed interest rate	Floating interest rate	Repay-ment	Fixed interest rate	Floating interest rate	Repay-ment
Other financial liabilities	18,973	444	0	5,911	1.610	0	13,062	2,054	0	18,973
Bank borrowings	465	0	0	465	0	0	0	0	0	465

		Cash Flows 2008			Cash Flows 2009–2012			Total		
FIGURES IN € 000S	**Carrying amount**	Fixed interest rate	Floating interest rate	Repay-ment	Fixed interest rate	Floating interest rate	Repay-ment	Fixed interest rate	Floating interest rate	Repay-ment
Other financial liabilities	2,739	43	0	2,050	127	0	689	170	0	2,739
Bank borrowings	154	0	0	154	0	0	0	0	0	154

Net gains/losses by category break down as follows:

	From subsequent measurement				Net result	
FIGURES IN € 000S	from Dividends and Interests	at Fair Value	Currency translation	Derecognition of liabilities	**2008**	2007
Loans and receivables (LaR)	965	0	664	0	1,629	517
Financial Assets held to maturity (HtM)	87	0	0	0	87	0
Derivates	0	74	569	0	643	47
Financial Liabilities measured at Amortised Costs (FLAC)	-321	0	3	119	-199	-48
	731	74	1,236	119	**2,160**	516

Sensitivity analysis

To depict market risks, IFRS 7 stipulates the inclusion of sensitivity analyses showing the effects of hypothetical changes in the relevant risk variables on the Company's profit/loss and equity. The MeVis Group is only exposed to currency risks as all its financial liabilities are subject to fixed rates, meaning that there is no interest risk. On the basis of the receivables outstanding as of December 31, 2008, there is elasticity of T€ 160 (2007: T€ 233) in the event of a 10% change in the end-of-year exchange rate. On the basis of these measurement bands, there is elasticity for cash and cash equivalents of T€ 88 as of December 31, 2008 (2007: T€ 273).

Around 70% of business volumes denominated in US dollars are hedged by means of currency forwards; however, these do not come within hedge accounting due to the absence of any connection with the underlying asset. On the basis of the market values of the hedges as of December 31, 2008, an increase of 10% in the underlying exchange rate would cause net financial result to rise by T€ 1,265 (2007: T€ 109), while a decrease of 10% would cause it to decline by T€ 1,381 (2007: T€ 2).

Notes on capital management

The purposes of capital management are derived from the Group's funding strategy and include the provision of liquidity and access to the capital markets at all times.

The capital structure is managed to take account of any changes in general economic conditions and risks arising from the underlying assets.

For this purpose, equity is viewed in the light of prevailing risk and, if necessary, adjusted by means of dividend policy, capital repayments and equity issues. Capital is monitored by reference to the ratio of net financial liabilities/receivables to economic capital. Net financial liabilities/receivables comprise cash and cash equivalent plus financial assets net of financial liabilities. Economic capital equals the equity carried on the face of the balance sheet.

FIGURES IN € 000S	2008	2007
Bank borrowings	465	154
Other financial liabilities	18,973	2,739
Gross financial liabilities	**19,438**	2,893
Cash and cash equivalents	15,257	28,471
Other financial assets	9,159	559
Gross financial receivables	**24,416**	29,030
Net financial receivables	**4,978**	26,137
business capital	**32,611**	30,769

Given the international orientation of the MeVis Group's activities, different regional legal and regulatory requirements must be observed in the individual jurisdictions. The status of and any changes in these rules are monitored both locally and centrally and taken into account in capital management.

35. Disclosures on cash flow statement

The cash flow statement is broken down by cash flows from operating activities, cash flows from investing activities and cash flows from financing activities. Net cash inflow from operating activities is calculated using the indirect method.

Cash and cash equivalents comprise cash at hand and bank balances.

36. Segment reporting

The Company has two segments - Digital Mammography and Other Diagnostics. The Digital Mammography segment entails the activities of MBS KG and the joint venture MBC KG. The Other Diagnostics segment engages in the development and marketing of diagnostic software by MMS AG and MMS Inc. Segment revenues, assets and liabilities in segment reporting on the joint venture MBC KG are shown to reflect the size of the share held. The reconciliation of the segment revenues, assets and liabilities with the items included in the consolidated financial statements is shown in the column entitled "Miscellaneous/ Consolidation".

Segment reporting is included in Appendix 3 to the Notes.

Geographic segmentation is as follows:

Segment report as of December 31, 2008

	United States		Europe		Miscellaneous/Consolidation		MeVis Group	
FIGURES IN € 000S	**2008**	2007	**2008**	2007	**2008**	2007	**2008**	2007
Total segment revenues	**9,565**	6,827	**1,692**	1,529	**0**	0	**11,257**	8,356
Assets	5,961	0	26,939	5,329	26,684	30,246	59,584	35,575
Liabilities	4,197	0	18,525	4,806	4,250	828	26,973	4,806
Investments (excluding acquisition of companies)	96	0	3,978	1,377	0	0	4,073	1,377

Total segment revenues includes grants of T€ 413 (2007: T€ 464), which are allocated to revenues for the purposes of segment reporting.

The Group's geographic segments are determined on the basis of the location of the assets in question. Sales to external customers disclosed in the geographic segments are allocated to the customers' geographic location.

37. Related parties

The Group conducts negotiations with related parties, the details of which are set out below. These transactions form part of its usual business activities and are subject to arms length conditions.

In addition to the remuneration referred to in Note 40, the material transactions with management include the consulting agreement in force with one of the shareholders (who was elected to the Supervisory Board on September 6, 2006). In the 2008 financial year, fees of T€ 22 (2007: T€ 23) were included in the income statement on a prorata basis. The shareholder is simultaneously the managing director of MRE GmbH and, as of January 1, 2009, institute head of Fraunhofer MEVIS.

MRE GmbH/Fraunhofer MEVIS performs research and development activities for MMS AG. These had a volume of T€ 459 in 2008 (2007: T€ 294). In addition, MMS AG acquired the MeVisLab software from MRE GmbH/Fraunhofer MEVIS for T€ 925 in 2007. This amount must be paid in five annual installments of T€ 185 each. Moreover, MMS AG incurred expenditure of T€ 143 (2007: T€ 141) from the grant provided for in the articles of incorporation (see Note 16). Income was generated from the staff costs recharged to MRE GmbH of T€ 124 (2007: T€ 67).

Related parties also include the joint ventures MBC KG and MeVis BreastCare Verwaltungs-GmbH. A material transaction with MBC KG is a loan in force since December 31, 2007 for a proportionate sum of T€ 735, which the proportionately consolidated subsidiary MBC KG granted to MMS AG. The loan was subject to interest at a rate of 7.5% and was repaid on April 30, 2008. The Group incurred interest expenditure of T€ 80 in the year under review (2007: T€ 80). In addition, legal and consulting costs of a proportionate T€ 100 were recharged to MBC KG by MMS AG.

As of the balance sheet date, the following receivables were due from and the following liabilities owing to related parties:

FIGURES IN € 000S	2008	2007
Members of management		
Receivables	8	9
Liabilities	0	0
Members of the Supervisory Board		
Receivables	8	8
Liabilities	18	68
MeVis Research GmbH/Fraunhofer MEVIS		
Receivables	133	188
Liabilities	653	1.205
Joint ventures		
Receivables	47	431
Liabilities	36	780

38. Notification of changes in voting rights in accordance with the German Securities Trading Act

As of the reporting date, MMS AG had received the following compulsory disclosures in accordance with Sections 21 et seq. of the German Securities Trading Act concerning changes in the voting rights held in MMS AG:

1. On November 15, 2007, we were notified by Prof. Dr. Heinz-Otto Peitgen, Am Jürgens Holz 5, 28355 Bremen, in accordance with Section 21 1 a of the German Securities Trading Act that his share of the voting rights stood at 17.67% on November 15, 2007, i.e. the first day of admission.

2. On November 15, 2007, we were notified by Dr. Carl J.G. Evertsz, Schumannstraße 12, 28213 Bremen, in accordance with Section 21 1 a of the German Securities Trading Act that his share of the voting rights stood at 17.67% on November 15, 2007, i.e. the first day of admission.

3. On November 20, 2007, we were notified by cominvest Asset Management GmbH, Platz der Einheit 1, 60327 Frankfurt am Main in accordance with Sections 21 (1), 22 1, Sentence 1, No. 6 and Section 32 2 of the Investment Act that its share of the voting rights had exceeded the reporting threshold of 3% on November 19, 2007, and now stands at 4.75%.

4. On November 21, 2007, we were notified by Allianz Global Investors Kapitalanlagegesellschaft mbH, Mainzer Landstraße 11-13, 60329 Frankfurt am Main, in accordance with Section 21 (1), Sentence 1 of the German Securities Trading Act that its share of the voting right had exceeded the reporting threshold of 3% on November 19, 2007, and now stands at 4.95%.

5. On December 13, 2007, we were notified by Dr. Hartmut Jürgens, Grohner Bergstraße 11, 28759 Bremen, in accordance with Section 21 (1) of the German Securities Trading Act that his share of voting rights had exceeded the compulsory reporting threshold of 15% on December 13, 2007, and now stands at 16.53%.

6. On April 11, 2008, MMS AG announced in accordance with Section 26 (1) Sentence 2 of the German Securities Trading Act that its treasury stock had exceeded the threshold of 3% on April 11, 2008 and stood at 3.04% on that day (equivalent to 55,333 shares).

7. On April 30, 2008, we received the following notification from Fortelus Special Situations Master Fund Ltd., George Town, Cayman Islands:

   In accordance with Section 21 (1) of the German Securities Trading Act, the share of voting rights held by Fortelus Special Situations Master Fund Ltd., George Town, Cayman Islands, exceeded the thresholds of 3% and 5% on November 19, 2007, standing at 112,000 voting rights (equivalent to 6.15% of all voting rights) as of that date.

   In accordance with Section 21 (1) of the German Securities Trading Act, the share of voting rights held by Fortelus GP Ltd, c/o M&C Corporate Services Ltd, Ugland House, PO Box 309, George Town, Grand Cayman, Cayman Islands, Fortelus Special Situations Fund LP, registered office 2711 Centerville Road, Suite 400, Wilmington, Delaware 19808, USA and Fortelus Special Situations Fund Ltd, c/o M&C Corporate Services Ltd, Ugland House, PO Box 309, George Town, Grand Cayman, Cayman Islands, exceeded in the aggregate the thresholds of 3% and 5% on November 19, 2007, as a result of which the aforementioned entities held 112,000 voting rights (equivalent to 6.15% of all voting rights) as of that date. The voting rights are held by Fortelus Special Situations Master Fund Ltd., George Town, Cayman Islands and attributable to the aforementioned entities in accordance with Section 22 (1) Sentence 1 No. 1 of the German Securities Trading Act.

   In accordance with Section 21 (1) of the German Securities Trading Act, the share of voting rights held by Fortelus Special Situations Master Fund Ltd., George Town, Cayman Islands, exceeded the threshold of 10% on April 2, 2008, standing at 186,037 voting rights (equivalent to 10.22% of all voting rights) as of that date.

   In accordance with Section 21 (1) of the German Securities Trading Act, the share of voting rights held by Fortelus GP Ltd, c/o M&C Corporate Services Ltd, Ugland House, PO Box 309, George Town, Grand Cayman, Cayman Islands, Fortelus Special Situations Fund LP, registered office 2711 Centerville Road, Suite 400, Wilmington, Delaware 19808, USA and Fortelus Special Situations Fund Ltd, c/o M&C Corporate Services Ltd, Ugland House, PO Box 309, George Town, Grand Cayman, Cayman Islands, exceeded in the aggregate the threshold of 10% on April 2, 2008, as a result of which the aforementioned entities held 186,037 voting rights (equivalent to 10.22% of all voting rights) as of that date. The voting rights are held by Fortelus Special Situations Master Fund Ltd., George Town, Cayman Islands and attributable to the aforementioned entities in accordance with Section 22 (1) Sentence 1 No. 1 of the German Securities Trading Act.

8. On May 7, 2008, MMS AG announced in accordance with Section 26 (1) Sentence 2 of the German Securities Trading Act that its treasury stock had exceeded the threshold of 3% on April 11, 2008 and stood at 3.04027% on that day (equivalent to 55,333 shares).

9. On June 17, 2008, MMS AG announced in accordance with Section 26 (1) Sentence 2 of the German Securities Trading Act that its treasury stock had exceeded the threshold of 5% on June 17, 2008 and stood at 5.0% on that day (equivalent to 91,000 shares).

10. On November 4, 2008, we were notified by Mr. Peter Kuhlmann-Lehmkuhle, Oyten, Germany, in accordance with Section 21 (1) of the German Securities Trading Act that his share in the voting rights had exceeded the threshold of 3% on October 30, 2008 and now stood at 3.0027% (equivalent to 54,650 shares).

11. On November 3, 2008, we were notified by M.M. Warburg & CO KGaA, Hamburg, Germany, in accordance with Section 21 (1) of the German Securities Trading Act that its share in the voting rights had exceeded the threshold of 5% on October 31, 2008 and now stood at 5.070% (equivalent to 92,282 shares).

    5.070% of the voting rights (equivalent to 92,282 shares) are attributable to M.M. Warburg & CO Gruppe KGaA in accordance with Section 22 (1) Sentence 1 No. 1 of the German Securities Trading Act.

12. On November 4, 2008, we were notified by M.M. Warburg & CO KGaA, Hamburg, Germany in accordance with Section 21 (1) of the German Securities Trading Act that its share in the voting rights had dropped below the threshold of 5% on November 4, 2008 and now stood at 4.899% (equivalent to 89,161 shares).

4.899% of the voting rights (equivalent to 89,161 shares) are attributable to M.M. Warburg & CO Gruppe KGaA in accordance with Section 22 (1) Sentence 1 No. 1 of the German Securities Trading Act.

39. Corporate bodies of MeVis Medical Solutions AG

Executive Board

Dr. Carl J.G. Evertsz From September 6, 2008 Chairman Bremen	• Managing director of subsidiary MeVis BreastCare Verwaltungsgesellschaft mbH, Bremen • Managing director of MeVis BreastCare Solutions Verwaltungs-GmbH, Bremen • Director of MeVis Medical Solutions, Inc., Pewaukee, Wisconsin/USA
Dr. Olaf Sieker From August 1, 2007 Until December 31, 2008 Hamburg	• Managing director of MeVis BreastCare Solutions Verwaltungs-GmbH, Bremen (until December 31, 2008) • Director of MeVis Medical Solutions, Inc., Pewaukee, Wisconsin/USA (until December 31, 2008)
Thomas E. Tynes From September 1, 2007 Pewaukee, Wisconsin/USA	• Director of MeVis Medical Solutions, Inc., Pewaukee, Wisconsin/USA • Officer of Eye Prosthetics of Wisconsin, Inc., Brookefield, Wisconsin/USA
Christian H. Seefeldt From January 1, 2009 Berlin	• Managing director of MeVis BreastCare Solutions Verwaltungs-GmbH, Bremen

Supervisory Board

Prof. Dr. Heinz-Otto Peitgen From September 6, 2006 Bremen Chairman	• Managing director of MeVis Research GmbH/Director of Fraunhofer MEVIS Institute, Bremen • Member of the academic council of Karl-Franzen-Universität Graz, Austria

	• until October 2007 member of the Supervisory Board of MeVisDistant Services Aktiengesellschaft, Bremen • Member of the advisory council of the Center for Art and Media Technology, Karlsruhe
Axel Schubert From September 6, 2006 Bremen Deputy Chairman	• Attorney-at-law, Bremen • Managing director of BWB Holding GmbH, Bremen (until January 7, 2008) • Member of the Executive Board of Stiftung Bremer Wertpapierbörse, Bremen • Chairman of the Supervisory Board of Scoach Europe AG, Frankfurt am Main • Chairman of the Board of Directors of Scoach Schweiz AG, Zurich, Switzerland, Zurich, Switzerland • Chairman of the Board of Directors of Scoach Holding S.A., Luxembourg, Luxembourg
Dr. Peter Zencke From August 21, 2007 Heidelberg	• Member of the Executive Board of SAP AG, Walldorf (until December 31, 2008) • Member of the Supervisory Board of SupplyOn AG, Munich • Member of the Board of Directors of the Indian School of Business in Hyderabad, India • Member of the research council of the Institute of Media and Communication Management of the University of St. Gallen St. Gallen/Switzerland • Chairman of the Board of the SAP Business School in Vienna, Austria Vienna, Austria

Shares in the Company held by members of its corporate bodies as of December 31, 2008 are as follows:

	Number of shares	% of share capital
Executive Board		
Dr. Carl J.G. Evertsz*	354,640	19.49
Dr. Olaf Sieker**	26,561	1.50
Thomas E. Tynes	625	0.03

* In addition to the shares held directly by Dr. Evertsz, 600 share are held indirctly via an asset management company in which Dr. Evertsz holds a share

** Indirectly held via an asset management company, in which Dr. Sieker and his wife each hold 50%. The amount stated equals the notional share attributable to Dr. Sieker.

	Number of shares	% of share capital
Supervisory Board		
Prof. Dr. Heinz-Otto Peitgen	354,039	19.45
Axel Schubert	800	0.04
Dr. Peter Zencke	0	0.00

40. Compensation paid to the Executive Board and the Supervisory Board

Compensation paid to the Executive Board

The members of the Executive Board received the following compensation in 2008:

	Fixed remuneration	Variable remuneration	Components with long-term incentive characteristic	Pecuniary benefits from non-cash benefits	Total
FIGURES IN €	Salary	Bonus	Stock options in 2008		
Dr. Carl J.G. Evertsz	154,568.00	8,191.15	0	11,497.20	174,256.35
Dr. Olaf Sieker	111,579.04	9,000.00	0	0.00	120,579.04
Thomas E. Tynes	118,939.20	106,760.79	0	12,900.49	238,600.48
Total	**385,086.24**	**123,951.94**	**0**	**24,397.69**	**533,435.87**

Of the bonuses, a sum of T€ 27 was granted to the members of the Executive Board by the Supervisory Board in 2007.

The members of the Executive Board received the following compensation in 2007:

	Fixed remuneration	Variable remuneration	Components with long-term incentive characteristic	Pecuniary benefits from non-cash benefits	Total
FIGURES IN €	Salary	Bonus	Stock options in 2007		
Dr. Carl J.G. Evertsz	122,412.82	40,193.69	0	6,735.75	169,342.26
Dr. Olaf Sieker	45,000.00	10,000.00	0	1,335.95	56,335.95
Thomas E. Tynes	41,093.40	46,417.19	0	50.0787,560.66	
Total	**208,506.22**	**96,610.88**	**0**	**8,121.77**	**313,238.87**

D&O insurance with a sum insured of T€ 2,000 has been taken out in favor of the members of the Executive Board at the Company's expense. This cover also includes the members of the Supervisory Board.

Compensation paid to the Supervisory Board

Compensation for the members of the Supervisory Board is governed by Article 10 of MMS AG's articles of incorporation, which provide for the members of the Supervisory Board to receive a fixed amount of € 17,500.00 at the end of the fiscal year. The chairman of the Supervisory Board receives twice this amount and his deputy one-and-a-half times this amount. Persons joining or leaving the Supervisory Board during the year receive a proportionate share of this amount.

In addition, the members of the Supervisory Board are reimbursed for all expenses which they incur in attending meetings of the Supervisory Board plus value added tax on the reimbursed amount.

D&O insurance with a sum insured of T€ 2,000 has been taken out in favor of the members of the Supervisory Board at the Company's expense. This cover also includes the members of the Executive Board.

41. Stock option plans

The compensation agreement with Executive Board member Thomas E. Tynes also provides for the grant of shares in MMS AG. The amount of the compensation depends on the achievement of certain EBIT thresholds by the MMS AG Group in the individual periods during the term of the compensation agreement.

Under the terms of this agreement, Mr. Tynes is awarded shares in MMS AG each year worth between € 100,000 and € 500,000 between 2008 and 2012. If EBIT drops below a certain amount, namely € 3.5 million in 2008 and up to € 7.2 million in 2012, he does not receive any award.

The shares are issued after the annual general meeting held in the year following the reference period. The shares may be sold after January 1 of the year following that in which the annual general meeting takes place.

In accordance with IFRS 2.A, the grant date is the date of the contract, i.e. August 27, 2007. The measurement date is the same as the grant date due to the fact that the agreement on the equity-based compensation has been entered into with a member of the Executive Board who provide services "similar" to those of an employee as defined in IFRS 2.A. The shares may be exercised provided that the EBIT corridor is achieved as of January 1 of the next but one year.

The vesting period is the term of the compensation agreement. As the shares may be exercised upon the EBIT corridor being achieved as of January 1 of the next but one year, the fair value as of the grant date (August 27, 2007) is calculated over a period of five years from the individual present values. The resultant expense is distributed on a geometric sliding-scale basis over the individual reasons.

If Mr. Tynes leaves the Company for a "good reason", the variable compensation commitment will be retained over the entire term. This also applies if the Company terminates the service contract without stating any reasons. In all other cases, entitlement under the compensation program is forfeited in the event of an exit from the Company. This does not prejudice any claims vesting up until the date of exit. Accordingly, even after exit from the Company, shares may still be granted to honor claims arising in prior periods.

At MMS AG's shareholder meeting held on August 22, 2007, the shareholders passed a resolution to create contingent capital of € 130,000 in order to issue up to 130,000 stock options to staff or members of the Executive Board on or before December 31, 2011.

No options were granted to staff in 2008 (2007: 20,300).

Each of the options granted to staff in 2007 entitles them to acquire one MMS AG share at an exercise price equaling the issue price of € 55 subject to a vesting period of two years. The condition for exercising the options is formulated as a market condition: the price of MMS AG must be at least 15% above the issue price (= exercise price) on the date of exercise. There are three exercise windows per year, namely two weeks after the annual general meeting and the publication of the Q2 and Q3 results.

As MMS AG is entitled to settle the stock options in cash form, this constitutes a combination model. In view of the fact that there are no discernible restrictions to the issue of shares to settle the stock options and the Company currently does not have any preference for settling the stock options in cash form, they have been measured in accordance with the principles for equity-settled options.

The options lapse in the event that the holder leaves the Company. The vesting period is 2 years in the case of employee options. Accordingly, the expense incurred in connection with the employee option program must be spread over 2 years.

The fair value of the compensation commitments made to the member of the Executive Board and the employee options is calculated using a Monte-Carlo simulation.

This simulation produced a fair value of T€ 101 for the compensation commitment to Thomas E. Tynes as of the grant day August 27, 2007 (2007: T€ 266). The expense in the form of the fair value as of the grant date is written down evenly in annual installments over the term of the compensation plan. Thus, proportionate expense recognized in 2008 comes to € 5,181 (2007: T€ 17,702).

On the basis of the simulation, the staff options have a fair value of T€ 163 (2007: T€ 215). Expense equaling the fair value is released to the income statement over the vesting period of 2 years. This results in proportionate expense for 2008 of € 81,085 (2007: € 3,240).

All outstanding stock options have a term of five years as of the date of grant. As the MeVis Group's stock option program expires on December 31, 2011, the maximum term of the outstanding options is less than nine years (until January 1, 2016).

	Beginning of Reporting period	Change	End of Reporting period
Outstanding stock options	109,770	0	109,770
Options granted	20,230	0	20,230
Options forfeited	0	-4,930	-4,930
Options exercised	0	0	0
Options lapsed	0	0	0
Total	**130,000**	**-4,930**	**125,070**
of which exercisable options	0	0	0

42. German Corporate Governance Code

On February 14, 2009, the Executive Board and Supervisory Board of MMS AG issued the declaration of conformance stipulated by Section 161 of the German Stock Corporations Act, confirming that the recommendations of the government commission on the German Corporate Governance Code were and continue to be observed and disclosing the recommendations which were/are not followed, and additionally made it available to shareholders at the MeVis Group's website. The declaration of conformance for the year under review is dated February 7, 2008 and may also be inspected at the MeVis Group's website.

In addition, a corporate compliance committee was established in August 2008 to optimize risk and efficiency-oriented management and control of the MeVis Group.

43. Fees paid for services provided by the independent auditor KPMG AG Wirtschaftsprüfungsgesellschaft (formerly KPMG Deutsche Treuhand-Gesellschaft Aktiengesellschaft Wirtschaftsprüfungsgesellschaft)

FIGURES IN € 000S	**2008**	2007
Audit of financial statements	89	124
Other auditing/measuring activities	0	219
Tax advisory	78	54
Other Services	16	0
Total	**183**	**397**

44. Post balance sheet events

Resolution to buy back further shares

In accordance with a new resolution passed by the shareholders at the annual general meeting on July 9, 2008 concerning the acquisition of the Company's own stock in accordance with Section 71 (1) No. 8 of the Stock Corporation Act, the Company was authorized to acquire up to ten percent of its current share capital (T€ 1,820) on or before January 8, 2010. On November 4, 2008, the Executive Board decided to buy up to a further 91,000 of the Company's own shares. As part of this stock buyback program, the Company acquired 33,682 of its own shares for a total amount of EUR 1,163,223.49 as of March 31, 2009. Upon the termination of the stock buyback program on March 31, 2009, MMS AG's total treasury stock comprised 122,850 shares, equivalent to 6.75% of its current share capital.

Resolution on the issue of stock options

On December 19, 2008, the Executive Board utilized the authorization granted by the shareholders on August 22, 2007 to issue options as part of the staff participation program. Under this second installment, a total of up to 20,191 (first installment: up to 20,300 stock options) were issued at an exercise price of € 37.45 (first installment: € 55.00). A total of 182 employees (first installment: 75 employees) are eligible. In a resolution passed on February 14, 2009, the Supervisory Board of MMS AG approved the issue of the second installment.

Planned change of chief financial officer

The Supervisory Board of MMS AG appointed Christian H. Seefeldt to the position of chief financial officer for a period of two years effective January 1, 2009.

Bremen, April 23, 2009

Dr. Carl J. G. Evertsz
CEO

Christian H. Seefeldt
Member of the
Executive Board

Thomas E. Tynes
Member of the
Executive Board

Changes in consolidated assets

for the period of 1 January until 31 December, 2008

	cost of acquisition or manufacturing					
FIGURES IN € 000S	**Balance on Jan. 1, 2008**	Additions	Disposals	Changes from currency translation	Changes to companies consolidated	**Balance on Dec. 31, 2008**
I. Intangible assets						
Licences and similar rights	2,194	439	115	90	1,531	4,139
Customer base	0	0	0	121	5,003	5,124
Development expenses	0	2,242	0	0	370	2,612
Goodwill	147	0	0	480	16,105	16,732
	2,341	2,681	115	691	23,009	**28,607**
II. Property, plant and equipment						
Other equipment, furniture and office equipment						
Leasehold improvements	49	576	0	0	0	625
IT equipment	732	546	225	1	360	1,414
Furniture and office equipment	224	270	70	1	18	443
	1,005	1,392	295	2	378	**2,482**
	3,346	4,073	410	693	23,387	**31,089**

	cost of acquisition or manufacturing					
FIGURES IN € 000S	**Balance on Jan. 1, 2007**	Additions	Disposals	Changes from currency translation	Changes to companies consolidated	Balance on Dec. 31, 2007
I. Intangible assets						
Licences and similar rights	1,123	1,075	4	0	0	2,194
Goodwill	0	0	0	0	147	147
	1,123	1,075	4	0	147	**2,341**
II. Property, plant and equipment						
Other equipment, furniture and office equipment						
Leasehold improvements	24	25	0	0	0	49
IT equipment	559	154	0	0	19	732
Furniture and office equipment	156	123	66	0	11	224
	739	302	66	0	30	**1,005**
	1,862	1,377	70	0	177	**3,346**

	Cumulative depreciation and amortisation					Carrying amounts	
Balance on Jan. 1, 2008	Additions	Disposals	Changes from currency translation	Changes to companies consolidated	**Balance on Dec. 31, 2008**	**Balance on Dec. 31, 2008**	Balance on Dec. 31, 2007
953	511	55	10	114	1,533	2,607	1,241
0	90	0	4	0	94	5,030	0
0	104	0	0	0	104	2,508	0
0	0	0	0	0	0	16,732	147
953	705	55	14	114	**1,731**	**26,876**	1,388
16	93	0	0	0	109	516	33
490	224	148	1	280	847	56	242
101	70	65	0	6	112	331	123
607	387	213	1	286	**1,068**	**1,414**	398
1,560	1,092	268	15	400	**2,799**	**28,290**	1,786

	Cumulative depreciation and amortisation					Carrying amounts	
Balance on Jan. 1, 2007	Additions	Disposals	Changes from currency translation	Changes to companies consolidated	Balance on Dec. 31, 2007	Balance on Dec. 31, 2007	Balance on Dec. 31, 2006
734	223	4	0	0	953	1,241	389
0	0	0	0	0	0	147	0
734	223	4	0	0	**953**	**1,388**	389
15	1	0	0	0	16	33	9
356	133	0	0	1	490	242	203
81	86	66	0	0	101	123	75
452	220	66	0	1	**607**	**398**	287
1,186	443	70	0	1	**1,560**	**1,786**	676

Primary Segmentation

Segment report as of December 31, 2008

	Digital Mammography		Other Diagnostics		Miscellaneous/ Consolidation		MeVis Group	
FIGURES IN € 000S	**2008**	2007	**2008**	2007	**2008**	2007	**2008**	2007
External revenues	6,898	5,556	3,946	2,336	0	0	10,844	7,892
Internal revenues	0	2	5,350	7	-5,350	-9	0	0
Revenues	**6,898**	5,558	**9,296**	2,343	**-5,350**	-9	**10,844**	7,892
Grants	0	0	413	464	0	0	413	464
Total segment revenues	**6,898**	5,558	**9,709**	2,807	**-5,350**	-9	**11,257**	8,356
Other internally generated assets	954	0	988	0	0	0	1,942	0
Costs of materials	-219	-325	-147	-325	0	0	-367	-650
Depreciation and amortization	-219	-220	-873	-265	0	42	-1,092	-443
Staff costs	-2,465	-1,680	-5,205	-2,522	0	0	-7,670	-4,202
Segment net profit/loss	**4,948**	3,333	**4,472**	-305	**-5,350**	33	**4,070**	3,061
Other operating income (net of grants)	191	555	856	214	-398	-48	649	300
Other operating expenses	-1,088	-1,175	-3,790	-2,073	824	-37	-4,054	-2,555
Result of operating activities	**4,051**	2,713	**1,538**	-2,165	**-4,924**	-52	**665**	806
Net profit/loss before taxes							**2,706**	487
Net profit/loss after taxes							**2,114**	132
Assets	**22,048**	2,268	**18,852**	3,061	**26,684**	30,246	**59,584**	35,575
Liabilities	**15,220**	973	**7,503**	3,004	**4,250**	828	**26,973**	4,806
Investments (net of acquisitions)	**1,149**	191	**2,924**	1,186	**0**	0	**4,073**	1,377

Auditor's Report

We have audited the consolidated financial statements prepared by MeVis Medical Solutions AG, Bremen – comprising the income statement, balance sheet, cash flow statement, statement of changes in equity, and notes – as well as the consolidated management report for the financial year from January 1 until December 31, 2008. The preparation of the consolidated financial statements and consolidated management report in accordance with IFRS as endorsed in the EU and, in supplementation, with the regulations of the German Commercial Code (HGB) is the responsibility of the Executive Board of the Company. Our responsibility is to express an opinion on the consolidated financial statements and the consolidated management report based on our audit.

We conducted our audit of the consolidated financial statements in accordance with Section 317 HGB and the German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW). Those standards require that we plan and perform the audit such that material misstatements affecting the presentation of the net assets, financial position and results of operations in the consolidated financial statements in accordance with the applicable accounting principles and in the consolidated management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Group and evaluations of possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the consolidated financial statements and consolidated management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the annual financial statements of the companies included in the consolidation, the definition of the companies to be included in consolidation, the accounting and consolidation principles used and significant estimates made by the Executive Board as well as evaluating the overall presentation of the consolidated financial statements and the consolidated management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion based on the findings of our audit, the consolidated financial statements give a true and fair view of the Group's net assets, financial position and results of operations in accordance with IFRS as endorsed in the EU and, by way of supplementation, in accordance with the provisions of the German Commercial Code (§ 315a (1) HGB. The consolidated management report is consistent with the consolidated financial statements and as a whole provides a suitable view of the Group's position and suitably presents the opportunities and risks of future development.

Bremen, April 23, 2009

KPMG AG Wirtschaftsprüfungsgesellschaft

(formerly KPMG Deutsche Treuhand-Gesellschaft
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft)

Heuermann	Bultmann
Wirtschaftsprüfer	Wirtschaftsprüfer
(German Public Auditor)	(German Public Auditor)

Responsibility Statement ("Bilanzeid")

Responsibility statement required by section 37y no. 1 of the Wertpapierhandelsgesetz (WpHG – German Securities Trading Act) in conjunction with sections 297(2) sentence 4 and 315(1) sentence 6 of the Handelsgesetzbuch (HGB – German Commercial Code) for the consolidated financial statements and the group managememt report:

"To the best of our knowledge, and in accordance with the applicable reporting principles, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the group, and the group management report includes a fair review of the development and performance of the business and the position of the group, together with a description of the principal opportunities and risks associated with the expected development of the group."

Bremen, April 23, 2009

MeVis Medical Solutions AG

Dr. Carl J. G. Evertsz
CEO

Christian H. Seefeldt
Member of the
Executive Board

Thomas E. Tynes
Member of the
Executive Board

Disclaimer

Forward-looking statements

This report contains forward-looking statements which are based on management's current estimates of future developments. Such statements are subject to risks and uncertainties, which MeVis Medical Solutions AG is not able to control or estimate with any precision, e.g. future market conditions and the general economic environment, the behavior of other market participants, the successful integration of new acquisitions and government acts. If any of these uncertainties or imponderabilities materialize or if the assumptions on which these statements are based prove to be incorrect, this may cause actual results to deviate materially from those expressly or implicitly contained in these statements. MeVis Medical Solutions AG does not intend and is under no obligation to update the forward-looking statements in the light of any events or developments occurring after the date of this report.

Deviations for technical reasons

Deviations may occur between the accounting data contained in this report and that submitted to the electronic Bundesanzeiger for technical reasons (e.g. conversion of electronic formats). In the case of any doubt, the version submitted to the electronic Bundesanzeiger will prevail.

This report is also available in a German-language version. In the case of any doubt, the German-language version takes priority over this English-language one.

The report is available for downloading in both languages on the Internet at http://www.mevis.de/mms/en/Financial Reports.html.

Analyst estimates

Analyst	Current target price
Felix Ellmann	30 Euro
Dr. Adam Jakubowski	38.60 Euro
Michael Busse	38 Euro

Ratings

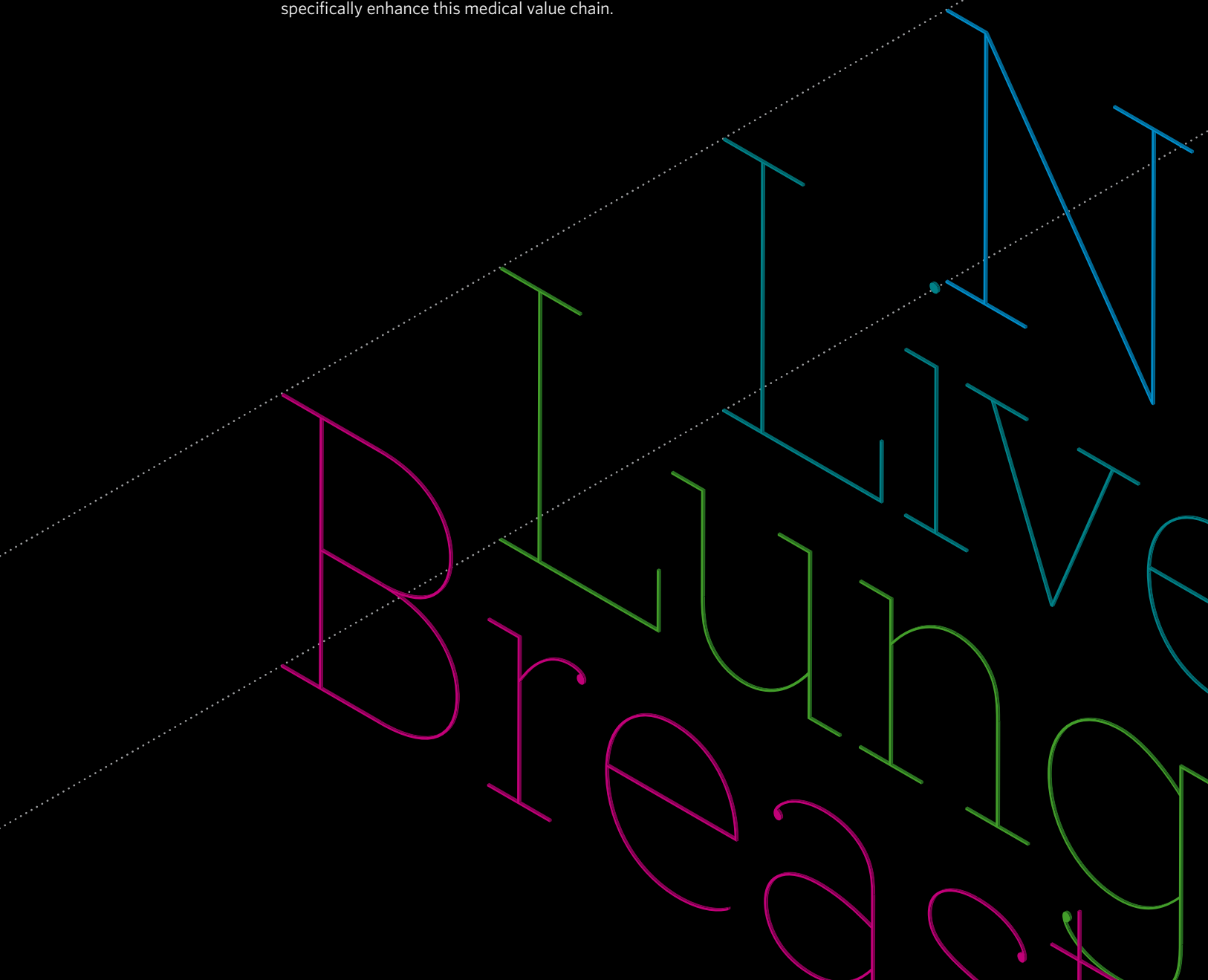
Date	Institution	Analyst	Rating
2009/05/27	SES Research GmbH	Felix Ellmann	Buy
2009/05/06	Performaxx Research GmbH	Dr. Adam Jakubowski	Buy
2009/02/24	Performaxx Research GmbH	Dr. Adam Jakubowski	Buy
2009/02/18	SES Research GmbH	Felix Ellmann	Hold
2009/02/10	Landesbank Baden-Württemberg	Michael Busse	Hold
2008/12/17	Performaxx Research GmbH	Dr. Adam Jakubowski	Buy
2008/11/20	SES Research GmbH	Felix Ellmann	Buy
2008/10/21	SES Research GmbH	Felix Ellmann	Buy
2008/10/16	Landesbank Baden-Württemberg	Michael Busse	Buy
2008/08/27	SES Research GmbH	Felix Ellmann	Buy
2008/08/22	Landesbank Baden-Württemberg	Michael Busse	Buy
2008/05/27	SES Research GmbH	Felix Ellmann	Buy
2008/04/11	SES Research GmbH	Felix Ellmann	Buy
2008/03/07	SES Research GmbH	Felix Ellmann	Buy

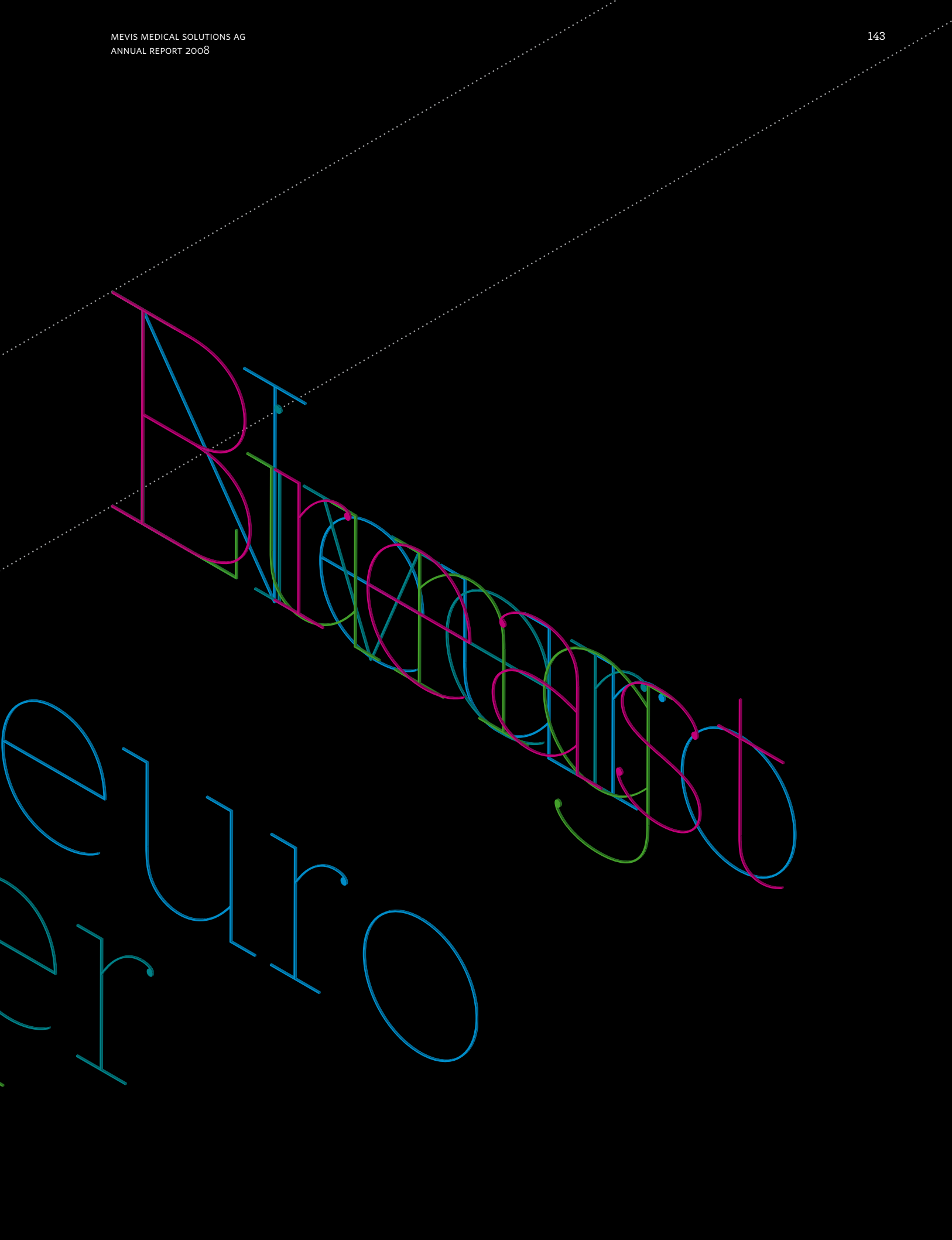
Finance Calendar 2009

Date	Event
2009/05/26	Interim report for Q1 2009
2009/06/30	Annual general meeting, Bremen
2009/08/28	Interim report for H1 2009
2009/08/31–2009/09/02	7th DVFA-Small Cap Conference, Frankfurt am Main
2009/11/09–2009/10/01	German Healthcare Conference, Zurich
2009/11/11	German Equity Forum, Frankfurt am Main
2009/11/11	Interim report for Q1–Q3 2009

Cover Illustration “Insights”

All MeVis software applications are designed to increase the added medical value. MeVis’ core competence lies in the support which it provides for diagnostics, surgery and biopsies as well as the monitoring of therapy progress. It has defined four strategic business segments of key epidemiological significance to specifically enhance this medical value chain.

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