

## CORPORATE NEWS

### **MeVis Group consolidates its leading market position in 1st quarter:**

#### **Thanks to its market leadership in the field of breast diagnostics, MeVis Medical Solutions continues to grow in 1<sup>st</sup> quarter**

- Strong Digital Mammography segment causes quarterly Group sales to rise by 7.5%, to reach 3.7 million euros (previous year: 3.4 million euros)
- Group EBIT drops to 0.15 million euros (previous year: EUR 0.44 million euros)
- Group net financial income improves to -0.25 million euros (previous year: -0.39 million euros)
- Consolidated net profit for the period reaches -0.15 million euros (previous year: 0.13 million euros)
- Cash flow from operating activities increases to 1.8 million euros (previous year: -0.2 million euros)

**Bremen, May 18, 2010** – MeVis Medical Solutions AG [ISIN: DE000A0LBFE4], a leading medical imaging software company, today published its results for the 1<sup>st</sup> quarter of the year 2010. According to the figures, Group sales continued to grow in its profitable core business. The primary reason for this was a significant increase as planned in maintenance and service revenues compared with the previous year. At the same time, the cost reduction measures initiated last year led to a further reduction in other operating expenses. Accordingly, it was possible to keep earnings before interest, taxes, depreciation and amortization (EBITDA) stable at about 1 million euros despite a lower capitalization level of development costs. However, the increased depreciation/amortization of capitalized development costs year-on-year in the first quarter led to a decline in earnings before interest and taxes (EBIT) to 0.15 million euros (previous year: 0.44 million euros).

The business segment of digital mammography, which generates the lion's share of sales revenues within the Group, recorded an increase of 18%, to 2.7 million euros (previous year: 2.2 million euros), again making a disproportionately large contribution to growth. What was of decisive importance in this respect were the new 'BreastCare' products launched in the course of 2009 as well as the planned increase in maintenance and service revenues thanks to an expanded installation base.

Consolidated sales in the business segment of Other Diagnostics decreased by 13%, to about 1 million euros (previous year: 1.15 million euros). This decline is mainly attributable to the release change of the lung product Visia™ CT Lung System. Anticipation of the release of this latest product generation resulted in a decline of orders for the current product version in Q1. The extension of the Group's market position with its new products in the fields of neurology and prostate was only partially successful in the first quarter.

Personnel capacity, at 182 employees (full-time equivalents) remained almost unchanged at Group level (previous year: 186). In spite of extensive cost-cutting measures in fiscal 2009, it was possible to reduce other operating expenses once again by 24% year-on-year, to 0.62 million euros (previous year: 0.8 million euros). However, Group profitability declined on account of increased scheduled depreciation and amortization of capitalized development costs to an EBIT margin of 4% (previous year: 13%).

Net financial income improved to -0.25 million euros (previous year: -0.39 million euros). In this context, the change in value of financial derivatives for hedging exchange rates contributed, as did currency translation gains and the pro-rata results of the minority holding acquired in the Dutch company Medis Holding B.V. in January.

Consolidated net result for the period, amounting to -0.15 million euros (previous year: 0.13 million euros), made a corresponding contribution equivalent to earnings per share of -0.09 euro (previous year: 0.08 euro).

Cash flow from operations increased significantly in the first quarter, to 1.8 million euros (previous year: -0.2 million euros). What was of decisive importance in this context was the 0.95 million euros decrease in trade receivables in the period under review (previous year: 0.24 million euros).

With 15.5 million euros in liquid funds (previous year: 15.1 million euros), the MeVis Group continues to have sound financial resources. Moreover, as at the balance sheet date the Company held treasury shares worth approx. 2.7 million euros. Other financial liabilities amounting to 13.2 million euros are essentially related to the remaining payment obligations arising from the acquisition of business shares and units.

"Launching the new Visia™ CT Lung System represents the first in a series of product introductions planned for the next several quarters, which are based on the company's proprietary MeVisAP technology platform. Several new products, to address applications in the medical fields of liver, breast, lung, neurological, prostate and colonoscopy, are expected to generate additional sales and profitability in the Other Diagnostics segment in the following two years.," says Thomas E. Tynes, President and CEO of MeVis Medical Solutions, Inc. and a member of the Management Board of MeVis Medical Solutions AG.

"Following the speedy market rollout of our next Visia™ product generation we perceive very good prospects for the further extension of our distribution channels," says Dr. Carl J.G. Evertsz, "and that's why we affirm our forecast for the current financial year."

The complete consolidated interim financial statements for Q1/2010 are available for download on the company's website at [http://www.mevis.de/mms/en/Financial\\_Reports.html](http://www.mevis.de/mms/en/Financial_Reports.html).

**MeVis Medical Solutions AG** was founded in 1997 and is one of the world's leading independent manufacturers and vendors of medical imaging software with focus on dedicated, disease-oriented clinical applications. Over the past few years, there has been an enormous increase in the complexity and volume of medical imaging data derived from digital imaging processes such as computed tomography (CT), magnetic resonance imaging (MRI), and ultrasound (US). MeVis Group's products analyze and process this data in such a way as to provide medical professionals with crucial information for early detection, diagnosis and intervention in the areas of cancer and lung diseases as well as neurological conditions. The Group develops its software solutions in close consultation with the world's leading medical experts and original equipment makers in the medical technology sector and primarily markets this software via these partnerships.

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