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# CORPORATE NEWS

## MeVis' growth in 2010 driven by core business

### MeVis Medical Solutions continues its product strategy with adjusted balance sheet

- Group revenues increase by 3% to € 14.3 million (previous year: € 13.9 million) thanks to strong maintenance business in Digital Mammography segment
- Maintenance business grows by 44% to € 4.6 million (previous year: € 3.2 million), while new license business declines by 10% to € 9.0 million (previous year: € 9.9 million)
- One-time charges not influencing liquidity lead to negative EBIT of € -5.4 million (previous year: € 1.6 million)
- Adjusted EBIT at € 0.7 million, with adjusted EBIT margin of 5% (previous year: 12%)
- Improved financial result of € -0.2 million (previous year: € -0.5 million)
- Group result at € -8.4 million (previous year: € 0.4 million) – impacted by effects of special items on deferred taxes
- Cashflow from current operating activities at € 5.0 million (previous year: € 3.1 million)

**Bremen, April 19, 2011** – MeVis Medical Solutions AG [ISIN: DE000A0LBFE4], a leading software company in medical imaging, today announced its final financial results for fiscal year 2010. Group revenues rose by 3% to € 14.3 million on the basis of a stronger maintenance business, while the new license business declined. Significant contributing factors in this decline were the lack of market success in the lung CT business and weak sales in breast MRI. The development of the lung business since 2008 has led to our recognizing a complete extraordinary impairment loss on the related balance sheet items, which has had a considerably negative effect on the result, but not, however, on liquidity. Competition and U.S. market saturation in breast MRI were additional contributing factors.

*Slight revenue increase despite declining new license business*

Overall, it has become apparent that no new impulses to drive sales expansion in the license business for newer products were able to emerge. The declining momentum in the core business of digital breast diagnostics caused by increasing

market saturation in the USA could not be offset by the pick-up in license sales in other geographic regions.

Revenues from our maintenance contract business, with group-wide growth amounting to 44%, have continued to develop positively, and, standing at € 4.6 million, now comprise a third of our total revenues (previous year: 23%). FDA approval at the beginning of 2011 enabled the launch of sales of the three-dimensional tomosynthesis device for breast diagnostics also in the USA by our industry partner Hologic, Inc. “We view this as an important milestone for our Digital Mammography segment,” said Dr. Carl J.G. Evertsz, CEO at MeVis Medical Solutions AG, “because this technology further strengthens our competitive position. Additionally, our tomosynthesis application captures additional ongoing business with maintenance contracts for the SecurView™ diagnostics workstation.”

*Disproportionate increase of maintenance revenues strengthens market position*

The company is continuing to drive its product strategy of developing disease-oriented software applications at the high end of technological innovation for diseases of epidemiological importance. In the next two years, the company plans the successive launch of a series of disease-oriented applications on the basis of its proprietary Visia™ Enterprise technology, which for the first time will allow for simultaneously expanding existing industrial partnerships and initiating new ones. These new products relate to applications in the areas of cardiovascular diseases, neurology, breast, prostate, lung and colon, and should gradually lead to significantly higher revenues and profitability in the Other Diagnostics segment following their market introduction. In 2010, the completion of the internal Visia™ software platform marked a significant milestone in product development.

*Continuation of product strategy on the basis of Visia™ Enterprise Technology*

With segment revenues of € 10.7 million, marking an increase by 7%, the Digital Mammography segment was once again the strong pillar of the Group. This is primarily the result of further significant growth in maintenance revenues, which came to 38% of the segment's revenues in the reporting period (previous year: 30%). The result for the segment came to € 5.4 million (previous year: € 6.3 million).

*Digital Mammography segment strong pillar of the Group due to strong maintenance business*

License sales from new products in the Other Diagnostics segment were a disappointment in a stagnating market. Segment revenues dropped by 8% to € 3.6 million. The primary reason for this decline, besides the continued weak sales momentum in our lung business since the purchase of the lung CT product in 2008, was a slowdown in sales for MRI products for breast diagnostics. Maintenance revenues also increased in this segment, and, at € 0.5 million, amounted to 14% of segment revenues (previous year: 4%).

*Weak sales momentum in the areas of Lung-CT and Breast-MRI leads to decline of Other Diagnostics segment*

Adjusted for the two special items, EBIT came to € 0.7 million. With a slightly improved financial result of € -0.2 million, pre-tax earnings for the fiscal year just concluded were therefore € -5.6 million (adjusted for special items: € 0.5 million). The higher tax expense of € 2.7 million (due to the special items) results in a consolidated net loss for the period of € -8.4 million, which represents an earnings-per-share result of € -4.89.

*High consolidated net loss impacted by one-time charges*

The Group balance sheet structure has not undergone any significant changes due to the special items. The equity ratio, at 64%, remained at the previous year's level.

"For the current fiscal year, we anticipate a slight decline in revenues and a break-even EBIT result," said Dr. Robert Hannemann, CFO at MeVis Medical Solutions AG. "We are expecting the successive launch of our new products developed on the basis of the Visia™ Enterprise technology to give a considerable boost to the momentum of the license business, which should make a positive impact on revenues and profitability beginning in fiscal year 2012."

*Outlook 2011: slight decline in revenues with a break-even EBIT*

"These products will also be sold by means of new industry partnerships. We are expecting Visia™ Enterprise to be approved for the US market by the FDA in the second half of the current fiscal year," commented Thomas E. Tynes, Executive Board member for marketing at MeVis Medical Solutions AG, adding: "Our planned entry into the market for cardiovascular imaging is a further building block of our company's future growth; it will depend to a great degree on the success of our cooperation with the Dutch company Medis medical imaging systems B.V. We will soon make a decision on a complete takeover of this equity partner."

Liquid funds fell to € 8.2 million on the balance sheet date (previous year: € 15.1 million). Taking into account the outstanding balance for the acquisition of 49% of the shares of MBS KG totaling up to € 7.5 million, which is due as partial payments until 2015, the company continues to believe that adequate liquidity is available in the current fiscal year.

*Sufficient liquidity for 2011 fiscal year*

The Executive Board will solidify its forecasts during the further course of the fiscal year, taking current market and business development into account.

The Group's financial reports are available for download at:

[http://www.mevis.de/mms/en/Financial\\_Reports.html](http://www.mevis.de/mms/en/Financial_Reports.html)

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*MeVis Medical Solutions AG was founded in 1997 and is one of the world's leading independent developer and provider of medical imaging software with focus on dedicated, disease-oriented clinical applications. MeVis AG has been listed on the Frankfurt Stock Exchange in the Prime Standard segment of the Regulated Market since November 16, 2007.*

*Over the past few years, there has been an enormous increase in the complexity and volume of medical imaging data derived from diagnostic imaging processes such as digital mammography, computed tomography (CT), magnetic resonance imaging (MRI), and*

*ultrasound (US). MeVis' 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 disorders. The Company develops its software solutions in close consultation with world's leading medical experts and original equipment manufacturers (OEM) in the medical technology sector and primarily markets this software via these partnerships.*