MeVis

MeVis Medical Solutions AG, Bremen

Interim Report H1 2009

Key consolidated figures (IFRS)

FIGURES IN € 000S		01.01.2009–30.06.2009	01.01.2008–30.06.2008	Change in %
Revenues		**6.364**	5,473	16.3%
of which generated with customers in:	– Europe	500	941	-46.9%
	– USA	5,864	4,532	29.4%
EBITDA		1,656	1,287	28.7%
EBITDA-margin		26.0%	23.5%	
EBIT		471	927	-49.2%
EBIT-margin		7.4%	16.9%	
Net financial result		-76	584	-113.0%
EBT		395	1,511	-73.9%
Consolidated net profit for the period		**160**	919	-82.6%
Earnings per share in € (basic and diluted)		**0.09**	0.67	-86.6%

	30.06.2009	31.12.2008	Change in %
Equity	32,334	32,611	-0.8%
Intangible assets	27,546	26,876	2.5%
Deferred taxes on the asset side	2,549	2,411	5.7%
Long- and short term liabilities	23,810	26,973	-11.7%
Balance sheet total	56,144	59,584	-5.8%
Equity ratio in %	57.6%	54.7%	
Cash and cash equivalents	10,555	15,257	-30.8%
Securities	7,331	5,000	46.6%
Employees (balance sheet date)	245	232	5.6%

Share at a glance

	Status: 30.06.2009
Industry segment	Software/Medical technology
Subscribed share capital	€ 1,820,000.00
Number of stocks	1,820,000
Price last ascertained on Jan. 02, 2009	€ 41.00
Price last ascertained on June 30, 2009	€ 20.00
High/low in period under review	€ 43.22 / € 18.21
Market capitalization	€ 36.4 million
Treasury stock held by MeVis	122,850
Free float	38%
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	DE000A0LBFE4
Ticker symbol	M3V

Content

Letter to the shareholders

Dear shareholders, customers, partners and colleagues,

The second quarter of the current fiscal year, like the first, was marked by purchasing restraint on the part of clinical end users due to the continuing global economic crisis. This has slowed our pace of growth. While consolidated sales increased 16% year-on-year, this is solely attributable to the positive consolidation effect resulting from the complete integration of the Hologic business into the MeVis Group. Had it not been for this consolidation, sales would have fallen by around 20% compared to the first half of 2008.

The Hologic business previously comprised part of the joint venture with Siemens and was therefore only 51% consolidated within the MeVis Group. Since November 2008, Hologic Digital Mammography operations have been fully accounted for in our consolidated financial statements. Consequently, sales in the Digital Mammography segment rose in the first half of 2009, posting a disproportionate increase of 34% from the corresponding period of the previous year. We report a significant year-to-year decrease in demand by our industry partners for software products in our Digital Mammography business segment. This correlates with the overall weakness of the market for Digital Mammography, which is due to reductions in capital budgets and spending, and long sales-cycles. Were it not for this poor performance, which had a negative effect on sales in the Digital Mammography segment, sales growth would have been more significant in this highly profitable segment.

In contrast, the Other Diagnostics segment reported a decline in sales of only 8%. This segment now also includes MeVis' new neuro diagnostic and surgical planning software which is marketed by OEM partner Invivo as DynaSuite™ Neuro as well as several additional products under development. As expected, the associated high development expenses weighed heavily on the operating results for the segment. This burden was not fully offset at a consolidated level in the first half of the year as was originally planned. This is attributed to the overall economic environment and – in particular – the distinct decline in demand in the Digital Mammography segment since Q4 2008.

Accordingly, our operating EBIT margin at a consolidated level dropped to 7% (first half of 2008: 17%). We promptly initiated cost-cutting measures to actively counter the weak overall sales performance and prevent group profitability from slipping further. We reduced other operating expenses by 19% year-to-year, which was mainly attributable to significant savings in external services and in a number of other expenses, such as travel costs and events like our last annual general meeting.

In contrast, our staff costs rose from EUR 3.3 million (first half of 2008) to EUR 5.2 million in the first half of 2009 as a result of planned growth. This was due to a large increase in personnel during the second half of 2008. However, staff numbers remained almost unchanged in the current fiscal year.

The success of our risk mitigation measures to counter the unfavorable market conditions resulting from the global economic crisis is also very apparent in the operating cash flow of the MeVis Group in the first half of 2009. Our operating cash flow increased from EUR 0.67 million in the first half of 2008 to EUR 1.6 million in the first half of 2009. This equates to approximately one quarter of our sales. As a result, our operating cash flow almost fully covered not only our current investments but also investments in capitalized development costs for planned future corporate growth.

During the first half-year 2009 we have introduced two new innovative products: The diagnostic software for the ACUSON S2000™ ABVS ultrasound breast scanner from Siemens and the diagnostic and interventional software DynaCAD® Prostate for Invivo. The ACUSON S2000 ABVS permits automated, fast and user-independent performance of full-field ultrasound breast scans. The volume scans provide the physician with information on the breast in an additional plane, which until now was not available with conventional technology. This so-called "coronal" view of the breast (from the nipple to the breast wall) is also an important instrument in surgical planning. DynaCAD Prostate is an innovative solution for MRI-based prostate diagnostics. The optional interventional module for planning biopsies reduces the number of targeted biopsies required to only between two and four. Additionally, the company further strengthened its market position in the magnetic resonance imaging segment by releasing the Syngo BreVis MRI diagnostic and interventional software application for Siemens. We expect the new products to contribute significantly to sales in the coming months and quarters.

While continuing to pursue our growth strategy, we will increase our efforts in the second half of this year to improve results using means above and beyond cost-cutting measures. Such means include the introduction of further products and the expansion of existing sales partnerships. Currently, around 94% of our consolidated sales are generated through OEM distribution, that is, via equipment manufacturers. Through this sales channel, if demand for medical equipment falls, sales of our software licenses typically decline accordingly. By progressively building up new sales partnerships and expanding products which bear our own brand and trademark (Visia™), we intend to open up alternative channels of distribution and after-market sales for our software applications. These after-market sales, which are largely independent of equipment sales, will increasingly provide a complimentary source of incremental, high-margin revenues.

Although we expect our new products to make an increasingly positive contribution to sales over the course of the second half of the year, the business environment will remain extremely tough for the MeVis Group for the rest of the year. We assume that sales will continue to fluctuate significantly from month to month. For that reason, we have decided not to issue any forecast for expected sales and results for MeVis in 2009.

Our financial situation remains strong, with liquid assets and securities of around EUR 18 million. With this and our high operating cash flow, we are largely independent of external sources of finance. Looking ahead, we will continue to evaluate acquisition options in line with our growth strategy and evaluate any opportunities to complement our product range.

At this juncture, we would like to thank all our employees for their exceptional performance as well as our business partners, customers and shareholders for their trust.

Dr. Carl J. G. Evertsz
CEO

Christian H. Seefeldt
Member of the Executive Board

Thomas E. Tynes
Member of the Executive Board

MeVis share

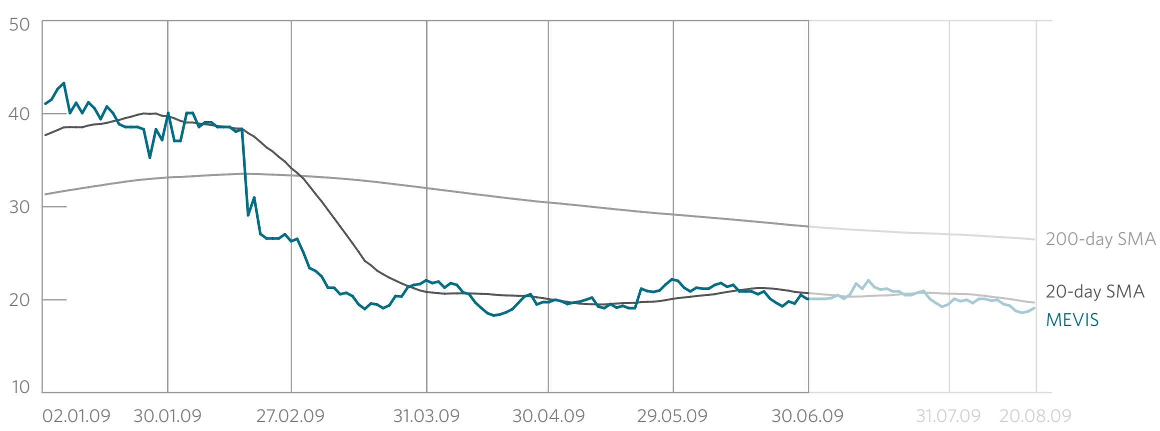
Capital market conditions

The global economic downturn triggered by the financial crisis had a negative impact on the German economy in the second quarter. The German Federal Bank expects a decline in gross domestic product of approximately 6% this year, but demand for medical equipment has traditionally been relatively inelastic, so the capital market regards this sector as being comparatively stable.

That said, there is an increasingly widely held assumption that the downward trend will ease over the rest of 2009. The latest early indicators, such as the ifo Business Climate Index, already point towards positive development in the third quarter. In the USA, too, with the first signs of a better second half emerging and corporate productivity on the increase lately, more positive economic stimulus can now be expected of the capital markets.

Stock Chart MeVis Share

FIGURES IN €



MeVis share performance

MeVis stock almost maintained its price level of around EUR 20 despite the extremely difficult capital market conditions since the beginning of the second quarter. The Dax software and medical technology sub-sectors showed only a slight performance increase in the same period.

This is essentially in line with the expectations of market participants, who do not expect a better outlook for business until the second half of the year. When it published the 2008 annual financial statements, the Executive Board indicated that there was only slight growth potential for products already on the market until the global financial crisis eased and that new products would just gradually make a positive contribution to results as of the third quarter.

The shareholder structure remained largely unchanged in the second quarter. Roughly 55% of the share capital continued to be held by the three founders. The company holds treasury stock amounting to 6.75% of the share capital. The majority of the remaining shares are held by institutional investors. The number of private shareholders increased by 14% in the second quarter and by 17% in the first half. We intend to promote this trend in the future in order to further boost MeVis share trading activities.

Business activities of the MeVis Group

Group structure

Through a joint venture with Siemens Aktiengesellschaft, Berlin and Munich (hereafter: "Siemens"), MeVis Medical Solutions AG (hereafter: "MMS AG") holds 51% of MeVis BreastCare GmbH & Co. KG (hereafter: "MBC KG"). Under an agreement of October 21, 2008, the business with industrial customer Hologic, Inc., Bedford, USA (hereafter: "Hologic") was carved out of the joint venture and Siemens' stake was taken over by MMS AG. The company MeVis BreastCare Solutions GmbH & Co. KG (hereafter: "MBS KG") arising from this spin-off has been fully included in the consolidated financial statements of MMS AG since November 1, 2008.

In addition, in 2007, MMS AG founded a wholly owned subsidiary in the USA, MeVis Medical Solutions, Inc., located in Pewaukee, Wisconsin (hereafter: "MMS Inc."). The company MeVis Research GmbH, treated as an associate until December 31, 2007, has not been included in the consolidated financial statements since June 30, 2008. The shares held were returned to the Free Hanseatic City of Bremen at their book value. As a result, MeVis Research was incorporated in the Fraunhofer-Gesellschaft effective January 1, 2009 and is now trading as Fraunhofer MEVIS-Institute for Medical Image Computing (hereafter: "Fraunhofer MEVIS").

Brief overview of business activities

MeVis Medical Solutions is one of the world's leading independent producers of software products for image-based medicine, particularly digital radiology. The complexity and quantity of medical image data acquired using digital imaging techniques, such as computed tomography (CT) and magnetic resonance imaging (MRI), have soared in recent years. The products from MeVis Medical Solutions analyze and process these data in a form which provides physicians with a valuable tool for the early detection, diagnosis and treatment of cancer, lung diseases and neurological disorders. The company develops its disease-oriented software solutions in close collaboration with the world's leading medical experts and OEMs in the medical technology sector, and primarily markets its software through these partnerships.

In addition, there is a tradition of close ties between the listed company and the renowned not-for-profit research institute Fraunhofer MEVIS.

Business segments

For reporting purposes and internal governance, the MeVis Group has two operating segments (“Digital Mammography” and “Other Diagnostics”).

The Digital Mammography segment develops and markets software products which support diagnostic imaging for digital mammography. The products are distributed to final customers via OEM industrial partners (Siemens and Hologic).

The Other Diagnostics segment is composed of software products for digital radiology (e.g., magnetic resonance imaging (MRI), computed tomography (CT), etc.) and for general analysis of and diagnosis based on radiological images. Other main activities in this segment include image and risk analysis for planning liver surgery and tumor diagnostics within the company's Distant Services arm.

Interim management report of MeVis Medical Solutions AG

Results of operations

The difficult market conditions for the MeVis Group's products brought about by the global economic crisis had a substantial impact on consolidated sales in the second quarter of 2009. In the period under review a significant year-to-year decrease in demand by the company's industry partners was evident for software products in the Digital Mammography segment. This correlates with the overall weakness of the market for Digital Mammography. The reason for this decline in demand is the increasing reluctance of market participants in the USA, a key sub-market for the MeVis Group, due to the global financial and economic crisis. This reluctance manifests in the postponement and reduction of investment projects undertaken by hospitals and in prolonged sales cycles.

Thanks to the 100% inclusion of the Hologic business in the consolidated financial statements, the MeVis Group managed to buck these negative market trends. Had it not been for this consolidation effect, sales revenues would have declined by about 20.6% compared with the same quarter a year earlier. Sales revenues in the first half of 2009 were ramped up by 16.2% to EUR 6,364,000 (H1 2008: EUR 5,473,000), with Digital Mammography accounting for EUR 4,495,000 (H1 2008: EUR 3,365,000) and Other Diagnostics EUR 1,870,000 (H1 2008: EUR 2,114,000).

To offset changes in foreign exchange rates, the MeVis Group transacted currency hedges.

The substantial surge in staff costs is essentially due to the expansion of development activities of the MeVis Group in 2007 and 2008 for market rollout of new products in 2009 to 2010. At the end of the first half of 2009, the MeVis Group had 245 employees, corresponding to 184 full-time equivalents (H1 2008: 169 employees or 129 full-time equivalents). On average, the MeVis Group had 242 employees during the reporting period (H1 2008: 154 employees).

The sharp rise in capitalized development costs correlates with the substantial surge in staff costs. Capitalized development costs amounted to EUR 1,639,000 in the first half (H1 2008: EUR 965,000), consisting of staff costs of EUR 1,576,000 (H1 2008: EUR 965,000) and costs of services purchased of EUR 63,000 (H1 2008: EUR 0).

Depreciation and amortization increased from EUR 360,000 in the first half of 2008 to EUR 1,185,000 in the first half of 2009. The takeover of the 49% stake in MBS KG held by Siemens accounted for EUR 687,000 (H1 2008: EUR 72,000) of this figure in the reporting period, with the rest attributable to the takeover of the “CT - Lung Diagnostics” business in 2008 and amortization of capitalized development costs. The amortization on the takeovers essentially concerns customer bases/relationships that have been valued, and technologies acquired in the transactions.

Other operating expenses came to EUR 1,627,000 at the end of the reporting period (H1 2008: EUR 2,012,000) and was well down on the previous year as a result of cost-cutting measures. Other operating expenses essentially comprise rental expenditure of EUR 283,000 (H1 2008: EUR 256,000), legal and consultancy costs amounting to EUR 231,000 (H1 2008: EUR 446,000), travel expenses of EUR 78,000 (H1 2008: EUR 120,000), repairs and maintenance amounting to EUR 71,000 (H1 2008: EUR 87,000), additions to provisions of EUR 266,000 (H1 2008: EUR 11,000) as well as the cost of preparing and auditing financial statements, amounting to EUR 156,000 (H1 2008: EUR 101,000).

Earnings before interest, taxes, depreciation, and amortization (EBITDA) came to EUR 1,656,000 in the first half of 2009 (H1 2008: EUR 1,287,000). The EBITDA margin, at 26.0%, was higher than in the previous year, at 23.5%.

Earnings before interest and taxes (EBIT) came to EUR 471,000 (H1 2008: EUR 927,000), corresponding to an EBIT margin of 7.4% (H1 2008: 16.9%).

The net financial result was well down in the first half of 2009, at -EUR 76,000 (H1 2008: EUR 584,000). This is attributable, on the one hand, to reduced interest income of EUR 421,000 (H1 2008: EUR 562,000) on account of lower interest rates in general and, on the other hand, the sharp increase in interest expense to -EUR 560,000 (H1 2008: -EUR 23,000) due to the interest cost of arranged installments on the purchase price of the business units taken over. Other net financial income amounted to EUR 63,000 (H1 2008: EUR 45,000).

Pre-tax profit in the first half of 2009 amounted to EUR 395,000 (H1 2008: EUR 1,511,000), corresponding to a return on sales of 6.2% (H1 2008: 27.6%).

In addition, net profit/loss after taxes takes account of taxes on income of -EUR 235,000 (H1 2008: -EUR 592,000) and amounted to EUR 160,000 in the first half of 2009 (H1 2008: EUR 919,000). Earnings per share were EUR 0.09 (H1 2008: EUR 0.67).

Net assets and financial condition

The MeVis Group has adequate financial resources to achieve its planned growth. As of June 30, 2009 cash and cash equivalents totaled EUR 10,555,000 (December 31, 2008: EUR 15,257,000).

The reduction in current assets in the reporting period by EUR 4,117,000 to EUR 24,765,000 was predominantly due to the decrease in cash by EUR 4,702,000 to EUR 10,555,000. Non-current assets climbed by EUR 678,000 in the reporting period, to EUR 31,379,000, with intangible assets rising by EUR 670,000 to EUR 27,546,000. The increase in the reporting period is largely attributable to the capitalization of development costs, totaling EUR 1,639,000, less amortization and various acquisitions.

The company's property, plant and equipment amounted to EUR 1,284,000 at the balance sheet date (December 31, 2008: EUR 1,414,000).

The level of equity at the balance sheet date was EUR 32,334,000 (December 31, 2008: EUR 32,611,000). Subscribed capital was EUR 1,820,000 (December 31, 2008: EUR 1,820,000). The equity ratio increased from 54.7% to 57.6%.

The cash flow from current operating activities came to EUR 1,585,000 in the reporting period (H1 2008: EUR 669,000). It essentially comprises the consolidated net profit before interest and taxes (EBIT), amounting to EUR 471,000 (H1 2008: EUR 927,000), adjusted for taxes received and paid of -EUR 2,358,000 (H1 2008: -EUR 617,000), the increase in trade payables as well as other liabilities totaling EUR 429,000) (H1 2008: reduction of -EUR 85,000), the increase in trade receivables and other assets, amounting to EUR 1,513,000 (H1 2008: reduction of -EUR 281,000), interest received and paid of EUR 392,000 (H1 2008: EUR 412,000) and adjusted for other non-cash expenses of EUR 339,000 (H1 2008: -EUR 127,000).

The net cash flow from investing activities in the reporting period was -EUR 2,955,000 (H1 2008: -EUR 3,955,000) and largely comprises payments for investment in property, plant and equipment of -EUR 153,000 (H1 2008: -EUR 1,017,000), proportional payments for the acquisition of the "CT Lung Diagnostic" business, amounting to -EUR 1,113,000 (H1 2008: -EUR 1,919,000) and the increase in intangible assets from the capitalization of development costs, amounting to -EUR 1,658,000 (H1 2008: -EUR 965,000).

The net cash flow from financing activities, amounting to -EUR 3,205,000 (H1 2008: -EUR 2,398,000) comprises payments for the acquisition of treasury stock of -EUR 462,000 (H1 2008: -EUR 1,502,000), payments made on loans and credits, amounting to -EUR 463,000 (H1 2008: -EUR 887,000), payments for the acquisition of short-term securities, totaling -EUR 7,792,000 (H1 2008: EUR 0), and deposits arising on maturity of promissory notes and the sale of short-term securities, of EUR 5,513,000 (H1 2008: EUR 0).

The change in cash and cash equivalents in the reporting period came to EUR 4,702,000 (H1 2008: -EUR 5,866,000), which is essentially attributable to the acquisition of higher-income securities.

Risk report

No material changes have occurred with regard to the risk situation of the MeVis Group since the beginning of the year. We perceive no risks that might endanger the existence of the companies in the MeVis Group. Therefore, the statements made in the risk report of the consolidated financial statements as of December 31, 2008 remain valid.

Outlook & opportunities

We confirm the outlook for opportunities and the assessment of fiscal year 2009 we made in the consolidated annual financial statements for 2008. Against the backdrop of the difficult market conditions, we expect only limited growth, or even a decline in some cases, for the products already on the market until such time as the global economic and financial crisis eases. Compared with fiscal year 2008, however, the full integration of the subsidiary MBS KG in the group of consolidated companies will have a positive impact on sales performance. The Executive Board's thoughts on earnings performance considers the fact that the introduction of new products as of the second quarter of 2009 should gradually make a positive contribution to earnings in the third quarter of 2009. As transpired in the second quarter of 2009 in particular, demand is still fluctuating erratically in individual months of a quarter. For that reason, the Executive Board believes it is not possible to issue a reliable and meaningful full-year earnings forecast for 2009, as above-average sales fluctuations may still occur in individual months due to the financial and economic crisis.

Material events occurring after the balance sheet date

No transactions of material relevance to the MeVis Group have arisen since the balance sheet date.

Bremen, August 28, 2009

Dr. Carl J. G. Evertsz
CEO

Christian H. Seefeldt
Member of the Executive Board

Thomas E. Tynes
Member of the Executive Board

Consolidated income statement

for the period from January 1 until June 30, 2009

FIGURES IN € 000S	Notes	January 1 – June 30, 2009	January 1 – June 30, 2008
Revenues	1	**6,364**	5,473
Income from the capitalization of development expenses	2	1,575	965
Other operating income		826	242
Cost of materials/cost of services purchased		-289	-112
Staff costs	3	-5,193	-3,269
Other operating expenses	4	-1,627	-2,012
Earnings before interest, taxes, depreciation and amortization (EBITDA)		**1,656**	1,287
Depreciation and amortization	5	-1,185	-360
Earnings before interest and taxes (EBIT)		**471**	927
Interest income		421	562
Interest expenses		-560	-23
Other financial result		63	45
Net financial result	6	**-76**	584
Earnings before taxes (EBT)		**395**	1,511
Income tax expense		-235	-592
Consolidated net profit for the period		**160**	919
Earnings per share in €			
Basic		0.09	0.67
Diluted		0.09	0.67

Statement of total comprehensive income

for the period from January 1 until June 30, 2009

FIGURES IN € 000S	January 1 – June 30, 2009	January 1 – June 30, 2008
Consolidated profit for the period	**160**	919
Exchange differences on translating foreign operations	-55	-132
Other comprehensive income	**-55**	-132
Total comprehensive income	**105**	787

Consolidated income statement

for the period from April 1 until June 30, 2009

FIGURES IN € 000S	April 1 – June 30, 2009	April 1 – June 30, 2008
Revenues	**2,904**	3,044
Income from the capitalization of development expenses	839	473
Other operating income	539	167
Cost of materials/cost of services purchased	-181	10
Staff costs	-2,646	-1,781
Other operating expenses	-815	-1,133
Earnings before interest, taxes, depreciation and amortization (EBITDA)	**640**	780
Depreciation and amortization	-606	-222
Earnings before interest and taxes (EBIT)	**34**	558
Interest income	336	244
Interest expenses	-430	-5
Other financial result	405	29
Net financial result	**311**	268
Earnings before taxes (EBT)	**345**	826
Income tax expense	-318	-301
Consolidated net profit for the period	**27**	525
Earnings per share in €		
Basic	0.02	0.30
Diluted	0.02	0.30

Statement of total comprehensive income

for the period from April 1 until June 30, 2009

FIGURES IN € 000S	April 1 – June 30, 2009	April 1 – June 30, 2008
Consolidated profit for the period	**27**	525
Exchange differences on translating foreign operations	149	14
Other comprehensive income	**149**	14
Total comprehensive income	**176**	539

Consolidated balance sheet

as at Nune 30, 2009

FIGURES IN € 000S	Notes	June 30, 2009	March 31, 2009	December 31, 2008
Long-term assets				
Intangible assets		27,546	27,519	26.876
Property, plant and equipment		1,284	1,356	1.414
Deferred tax assets		2,549	2,195	2.411
		31,379	31,070	30.701
Short-term assets				
Inventories		159	137	154
Trade receivables		3,743	3,189	2,345
Income tax receivables		408	379	784
Other financial assets	7	8,419	4,262	9,159
Other assets		1,481	1,515	1,184
Cash and cash equivalents		10,555	15,584	15,257
		24,765	25,066	28,883
ASSETS		**56,144**	56,136	59,584
Equity capital	8			
Subscribed capital		1,820	1,820	1,820
Capital reserve		28,443	28,397	28,363
Revaluation reserve		1,592	1,636	1,679
Treasury stock		-4,156	-4,157	-3,694
Currency translation reserve		20	168	75
Retained earnings		4,615	4,547	4,368
		32,334	32,411	32,611
Long-term liabilities				
Other financial liabilities	9	12,117	12,388	13,062
Pension provisions		62	50	39
Deferred tax liabilities		1,031	488	843
		13,210	12,926	13,944
Short-term liabilities				
Provisions		56	113	180
Trade payables		1,001	848	1,038
Bank borrowings		1	113	465
Other financial liabilities	9	6,290	6,518	5,911
Deferred income		1,473	1,314	1,019
Miscellaneous other liabilities		1,606	1,720	1,712
Income tax liabilities	10	173	173	2,704
		10,600	10,799	13,029
EQUITY AND LIABILITIES		**56,144**	56,136	59,584

Consolidated cash flow statememt

for the period from January 1 until June 30, 2009

FIGURES IN € 000S		January 1 – June 30, 2009	January 1 – June 30, 2008
Earnings before interest and taxes (EBIT)		**471**	1,016
+	Depreciation and amortization	1,185	360
+/-	Increase/decrease in provisions	-101	13
+/-	Other non-cash expenses/income	339	-127
+	Interest received	397	441
-	Interest paid	-5	-29
+	Taxes received	722	0
-	Taxes paid	-3,080	-617
+/-	Received/paid exchange rate differences	-280	0
-/+	Increase/decrease in inventories	-4	-22
-/+	Decrease in trade receivables and other assets	1,513	-281
+/-	Increase/decrease in trade payables and other liabilities	429	-85
=	**Cash flow from operating activities**	**1,585**	669
-	Payments made for investments in property, plant and equipment	-153	-1,017
-	Payments made for investments in intangible assets (excluding development expenses)	-31	-54
-	Payments made for the capitalization of development expenses	-1,658	-965
-	Payments made for the acquisition of business units	0	-1,919
-	Proportional payments made for the acquisition of business units	-1,113	0
=	**Cash flow from investing activities**	**-2,955**	-3,955
-	Payments made for the acquistion of treasury stock	-462	-1,502
+	Payments received from matured bonds	5,000	0
+	Payments received from disposal of short-term securities	513	0
-	Payments made to repay borrowings	-463	-887
-	Payments made for the acquistion of short-term securities	-7,792	0
=	**Cash flow from financing activities**	**-3,205**	-2,389
	Changes in cash and cash equivalents	**-4,702**	-5,866
	Exchange-rate related changes in cash and cash equivalents	**-127**	-192
+	**Cash and cash equivalents at the beginning of the period**	**15,257**	28,471
=	**Cash and cash equivalents at the end of the period**	**10,555**	22,605

This item comprises cash and cash equivalents.

Statement of changes in equity

for the period from January 1 until June 30, 2009

FIGURES IN € 000S	Subscribed capital	Capital reserve	Treasury stock	Retained earnings	Changes to equity not effecting net income: Currency-translationre-serve	Changes to equity not effecting net income: Revaluation-reserve for financial assets	Total
Balance on January 1, 2008	1,820	28,276	-1,546	2,245	-26	0	30,769
Purchase of treasury stock	0	0	-1,502	0	0	0	-1,502
Stock options – changes in fair value	0	41	0	0	0	0	41
Currency translation reserve	0	0	0	0	-132	0	-132
Consolidated net profit for the year	0	0	0	919	0	0	919
(Consolidated net profit)	(0)	(0)	(0)	(919)	(-132)	(0)	(787)
Balance on June 30, 2008	1,820	28,317	-3,048	3,164	-158	0	30,095
Balance on January 1, 2009	**1,820**	**28,363**	**-3,694**	**4,368**	**75**	**1,679**	**32,611**
Purchase of treasury stock	0	0	-462	0	0	0	-462
Account transfer according to amortization	0	0	0	87	0	-87	0
Stock options – changes in fair value	0	80	0	0	0	0	80
Currency translation reserve	0	0	0	0	-55	0	-55
Consolidated net profit for the year	0	0	0.00	160	0	0	160
(Consolidated net profit)	0	0	0.00	(105)	(-56)	0	(105)
Balance on June 30, 2009	**1,820**	**28,443**	**-4,156**	**4,615**	**20**	**1,592**	**32,334**

Notes to the interim consolidated financial statements as of June 30, 2009

General disclosures

The first half-year interim report of the MeVis Group was prepared in accordance with the provisions of § 37x(3) of the German Securities Trading Act (WpHG) along with consolidated interim financial statements and a consolidated management report.

The consolidated interim financial statements of Mevis Medical Solutions AG, Bremen (MMS AG) as of June 30, 2009 were prepared in accordance with § 315a(1) of the German Commercial Code (HGB) in line with the rules and regulations of the International Financial Reporting Standards (IFRS) in force on the balance sheet date, as issued by the International Accounting Standards Board (IASB) and approved by the European Union, as well as the interpretations of the International Financial Reporting Interpretations Committee (IFRIC). Accordingly, this interim report as of June 30, 2009 was prepared in conformity with IAS 34 "Interim Financial Reporting." The notes to the consolidated interim financial statements are presented in condensed form in line with the option provided by IAS 34.

The interim financial statements and interim management report have neither been audited nor subjected to a limited review.

Issue of stock options

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

An option entitles staff to acquire one MMS AG stock at an exercise price at the issue price of EUR 37.45 subject to a vesting period of two years. The exercise hurdle is expressed as a market condition: in the period from the grant of stock options to the beginning of the relevant exercise window in which the stock options are exercised, the price of the MMS AG stock must have outperformed the TecDAX index by at least 15 percent ("exercise hurdle").

There are three exercise windows per year, namely two weeks after the annual general meeting and the publication of the Q2 and Q3 results.

MMS AG is entitled to settle the stock options in cash form – in other words, a combination model is in place. All outstanding stock options have a term of five years as of the date they are granted. As the stock option program of MMS AG expires on December 31, 2011, the maximum term of the outstanding options is less than seven years (until January 1, 2016). The stock options granted in fiscal year 2009 have a maximum term of less than five years and can be exercised for the first time within a time window of two weeks after the annual general meeting at which resolutions are adopted concerning the 2010 fiscal year if the exercise hurdle was reached.

Recognition and measurement methods

The interim consolidated financial statements for the period from January 1 to June 30, 2009 use essentially the same recognition and measurement policies as the IFRS consolidated financial statements for fiscal year 2008. The interim consolidated financial statements as of June 30, 2009 must therefore be read in conjunction with the consolidated financial statements as of December 31, 2008.

Effects of new accounting standards

MMS AG's consolidated financial statements as of June 30, 2009 including the previous year's figures have been prepared in accordance with IFRS as endorsed by the European Union as of June 30, 2009. The same accounting and measurement policies that were applied in preparing the consolidated financial statements as of December 31, 2008 were used; in addition, IAS 34 "Interim Financial Reporting" was applied. Since January 1, 2009, IAS 1 "Presentation of Financial Statements" as amended has been applied. This has resulted in several changes in the presentation of the overall net income statement and the statement of changes in equity. In addition, IFRS 8 "Operating segments" was applied for the first time as of January 1, 2009. Other announcements of the IASB newly applicable as of June 30, 2009 had no material impact on the MeVis consolidated financial statements.

Selected notes to the consolidated balance sheet and the consolidated income statement

1. Revenues

Revenues break down by type as follows:

FIGURES IN € 000S	**Jan. 1 – June 30, 2009**	**Percentage**	Jan. 1 – June 30, 2008	Percentage
Software and licenses	4,932	78%	5,022	92%
Maintenance (software service contracts)	1,141	18%	311	6%
Hardware	99	2%	47	1%
Services (consulting and training)	192	3%	93	2%
	6,364	**100%**	5,473	100%

2. Income from the capitalization of development costs

In the reporting period, expenditure on research and development came to EUR 3,087,000 (June 30, 2008: EUR 2,093,000). In accordance with IAS 38, development costs of EUR 1,638,000 (June 30, 2008: EUR 965,000) were capitalized, of which external services account for EUR 63,000.

3. Staff costs

The change in staff costs is due partly to the increase in staff numbers. On average, 242 persons were employed in the first half of the year (previous-year period: 154). Of these, the pro-rata consolidated company MeVis BreastCare GmbH & Co. KG (previous-year period: 51) accounted for 33. The average figures include 78 testers (as a rule, students employed for short periods) at Group level (previous-year period: 48).

4. Other operating expenses

FIGURES IN € 000S	**January 1 – June 30, 2009**	January 1 - June 30, 2008
Rental expense	283	256
Legal and consulting costs	231	446
Cost of preparing and auditing of financial statements	156	101
Travel expenses	79	120
Repairs/Maintenance	71	87
Energy	48	18
Advertising	42	38
Accounting costs	42	45
Insurance	41	38
Personnel recruiting (job advertisements etc.)	40	126
Securities account charges	38	15
Office supplies	24	23
Vehicle costs	22	18
External work	6	230
Contributions	12	20
25.1% financing obligation towards MRE GmbH	0	143
Others	492	277
	1,627	2,011

5. Depreciation and amortization

FIGURES IN € 000S	January 1 – June 30, 2009	January 1 - June 30, 2008
Amortization of patents and licenses, similar rights and customer base	582	233
Amortization of capitalized development expenditure	322	0
Depreciation of property, plant and equipment	282	127
	1,185	360

6. Interest income, interest expense and other net financial result

The MeVis Group's net financial result as of June 30, 2009 was -EUR 76,000 (H1 2008: EUR 584,000). This comprises interest income from the investment of cash, which totaled EUR 421,000 (H1 2008: EUR 562,000), interest expense of -EUR 560,000 (H1 2008: EUR 23,000) and other financial result of EUR 63,000 (H1 2008: EUR 45,000). Other financial result primarily comprises the change in value of derivative financial instruments totaling EUR 143,000 (H1 2008: EUR 146,000) plus currency translation gains net of currency translation losses of -EUR 80,000 (H1 2008: -EUR 101,000).

7. Other current financial assets

FIGURES IN € 000S	June 30, 2009		Dec. 31, 2008	
	Total	of which current:	Total	of which current:
Loans and receivables	286	286	3,661	3,661
Derivatives	650	650	303	303
Other securities	7,331	7,331	5,000	5,000
Others	152	152	195	195
	8,419	**8,419**	9,159	9,159

Derivatives consist of forward exchange transactions, and possibly currency options, which were measured at market value through profit and loss.

The securities are primarily mortgage bonds and corporate bonds.

8. Shareholders' equity

Revaluation reserve

In connection with the acquisition of the 49% interest in MBS KG from Siemens AG and the subsequent full consolidation of MBS KG, the assets and liabilities of MBS KG were completely recalculated. Where this increase was attributable to the 51% interest in MBS KG already held by the group, the difference was recognized directly in the revaluation reserve. Amounts equaling the depreciation expense recognized on these assets are reclassified as retained earnings on a proportionate basis.

FIGURES IN € 000S	June 30, 2009	Dec. 31, 2008
Balance at the beginning of the period	**1,679**	0
+ Gains from the revaluation of the 49% corporate holding	0	2,411
- Deferred tax liabilities following the revaluation	0	-723
- Amortization of assets	-124	-18
+ Liquidation of deferred tax liabilities from the revaluation	37	9
Balance at the end of the period	**1,592**	1,679

Treasury stock

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 pursuant to § 71(1) No. 8 of the Stock Corporation Act (AktG), the company was authorized to acquire up to 10% of its current share capital (EUR 1,820,000) 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 through the stock market. As part of this stock buy-back program, the company acquired 33,682 of its own shares for a total of EUR 1,163,223.49 by March 31, 2009. At the end of the stock buy-back program on March 31, 2009, MMS AG's total treasury stock comprised 122,850 shares, equivalent to 6.75% of its current share capital.

9. Other financial liabilities

FIGURES IN € 000S	June 30, 2009	Dec. 31, 2008
Liability from the acquisition of 49% of MBS KG shares	11,126	10,819
Liability from the acquisition of "R2 Image Checker CT"	521	1,771
Liability towards MRE GmbH	462	462
Others	8	10
Other non-current financial liabilities	**12,117**	13,062
Liability from the acquisition of 49% of MBS KG shares	2,500	2,487
Liability from the acquisition of "R2 Image Checker CT"	2,520	2,273
Staff liabilities	756	628
Derivatives	15	229
Liabilities to MRE GmbH/Frauenhofer MEVIS	101	191
Liabilities to the Supervisory Board	18	18
Other financial liabilities	380	85
Other current financial liabilities	**6,290**	5,911

10. Income taxes

The change in income taxes is essentially due to a tax payment by MBS KG amounting to EUR 2,532,000, which resulted from the corporate acquisition of the Hologic business in fiscal year 2008.

11. Transactions with related parties

With regard to business transacted with related parties, there have been no material changes since December 31, 2008.

12. Contingent assets and contingent liabilities

In comparison to the contingent receivables and contingent assets presented in the consolidated financial statements for fiscal year 2008, no changes occurred in the first half of the current fiscal year.

13. 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 dilutionary 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 were exercised by the employees and that no shares were awarded to members of the Executive Board. Accordingly, they are not included in the calculation of earnings per share, which means that diluted earnings per share are identical to basic earnings per share.

The weighted average of shares outstanding is determined by taking account of shares redeemed and reissued subject to chronological weighting.

FIGURES IN € 000S	**June 30, 2009**	Dec. 31, 2008
Consolidated net profit for the period	160	2,114
Weighted average of shares outstanding during the reporting period	1,739,891	1,741,254
Basic earnings per share in EUR	**0.09**	1.21
Diluted earnings per share in EUR	**0.09**	1.21

14. Segment information

The introduction of IFRS 8 did not lead to a substantial structural change for purposes of segment reporting in the MeVis Group.

In the first half of 2009, the activities of the MeVis Group were subdivided into the reportable segments of Digital Mammography and Other Diagnostics. The management of each of these segments reports directly to the Executive Board of MMS AG in its capacity as the responsible corporate entity.

Segment earnings and the result of operating activities remain the key benchmarks for assessing and controlling the earnings position of a particular segment. As a rule, the result of operating activities corresponds to earnings before interest and taxes (EBIT).

	Digital mammography		Other diagnostics		Others / consolidations and reconciliations		MeVis Group	
	Jan. 1 – June 30		Jan. 1 – June 30		Jan. 1 – June 30		Jan. 1 – June 30	
FIGURES IN € 000S	**2009**	2008	**2009**	2008	**2009**	2008	**2009**	2008
External revenues	4,495	3,365	1,870	2,114	0	-6	6,364	5,473
Intersegment revenues	0	0	71	0	-71	0	0	0
Revenues	**4,495**	3,365	**1,941**	2,114	**-71**	-6	**6,364**	5,473
Grants	0	0	14	0	0	0	14	0
Total segment revenues	**4,495**	3,365	**1,955**	2,114	**-71**	-6	**6,378**	5,473
Other internally generated assets	848	424	791	541	0	0	1,639	965
Depreciation and amortization	-496	-80	-689	-320	0	39	-1,185	-360
Operating expenses	-1,845	-1,169	-3,700	-2,212	0	0	-5,546	-3,381
Segment net profit/loss	**3,002**	2,541	**-1,644**	123	**-71**	33	**1,286**	2,697
Other operating income	159	68	893	263	-240	0	812	331
Other operating expenses	-462	-352	-1,472	-1,659	307	0	-1,627	-2,012
Result of operating activities	**2,698**	2,256	**-2,223**	-1,273	**-4**	33	**471**	1,016

The following table contains a reconciliation of the results of operating activities of the Group segments with consolidated earnings before interest and taxes (EBIT).

	Jan. 1 – June 30	
FIGURES IN € 000S	**2009**	2008
Segment results of operating activities	547	983
Reconciliation to consolidated EBIT	-4	33
Earnings before interest and taxes (EBIT)	**471**	1,016
Net financial result	-76	495
Earnings before taxes (EBT)	**395**	1,511
Income tax expenses	-235	-592
Consolidated net profit for the period	**160**	919

15. Significant events after the balance sheet date (June 30, 2009)

No transactions of material relevance to the MeVis Group have arisen since the balance sheet date.

Bremen, August 28, 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

Responsibility Statement (“Bilanzeid”)

Responsibility statement required by section 37y of the Wertpapierhandelsgesetz (WpHG – German Securities Trading Act) in conjunction with section 37w (2) no. 3 of the WpHG for the consolidated interim financial statements:

“To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the group, and the interim 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 for the remaining months of the financial year.”

Bremen, May 18, 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 interim 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 event 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 download in both languages on the Internet at
http://www.mevis.de/mms/Finanzberichte.html.

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