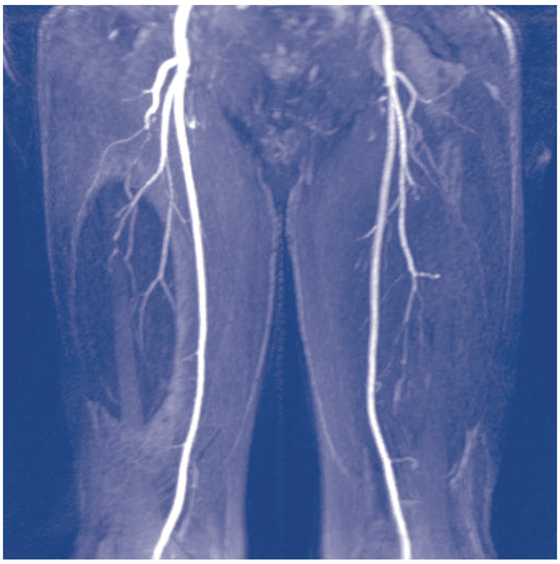
UMS

UNITED MEDICAL SYSTEMS



UMS Annual Report 2007

United Medical Systems International AG

Solutions For Better Patient Care

UMS Annual Report of the Group 2007
United Medical Systems International AG

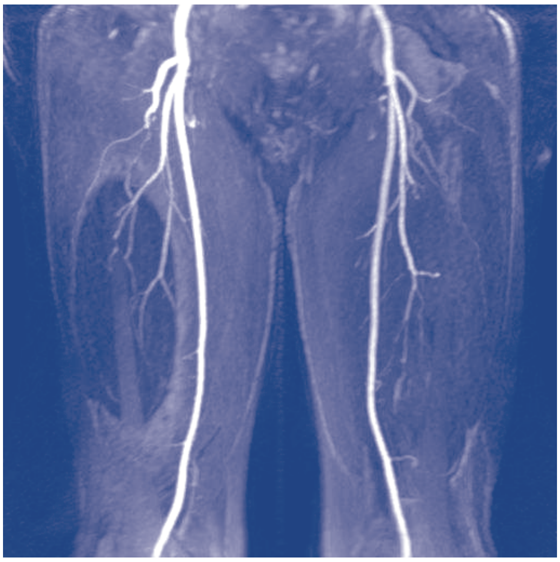
Key Indicators *

in million €	January 1 to December 31, 2007	January 1 to December 31, 2006	Change in %
Revenues *	34.5	34.8	-1%
Gross Profit *	17.6	18.0	-2%
in %	51%	52%	
Gross Profit*	2.5	3.3	-25%
EBITDA *	13.7	14.7	-7%
in %	40%	42%	
EBIT *	11.2	11.4	-2%
in %	33%	33%	
Net income/loss	7.6	7.8	-3%
in %	22%	22%	
Numbers of employees as of 31 December *	195	186	5%

* without discontinued operation

Corporate Calendar

April 24, 2008	Annual Report 2007
May 15, 2008	3 Month Report 2008
June 12, 2008	Annual Shareholder's Meeting, Hamburg
August 14, 2008	6 Month Report 2008
November 10, 2008	9 Month Report 2008
November. 10-12, 2008	Analystenkonferenz Deutsches Eigenkapital-Forums, Frankfurt/Main



UMS
UNITED MEDICAL SYSTEMS

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Solutions For Better Patient Care

Solutions For Better Patient Care

UMS International AG has successfully established itself as a leading service provider in the growth market of high-tech medicine. As an international provider of mobile service solutions, we offer our customers state-of-the-art medical equipment and the related services, on a by-the-day basis, in the fields of urology, radiology and gynecology. The high quality of our services and contracts established for long terms have resulted in strong customer loyalty and ensure recurring revenues.

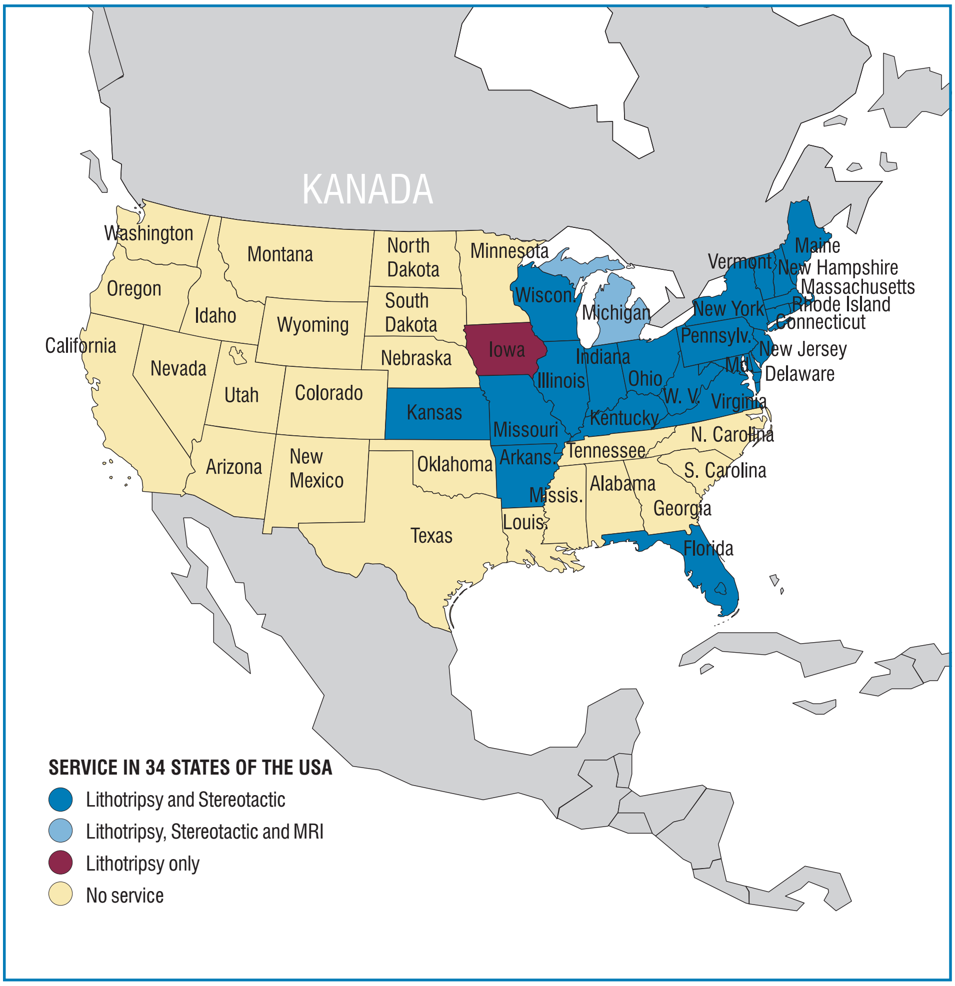
Through the mobile deployment of our medical systems in connection with a full service solution, we enable hospitals and physicians in private practice to use the latest medical technology to diagnose and treat their patients while at the same time benefiting from significant cost advantages.

We are convinced that this combination of high quality and cost effectiveness has high growth potential for the UMS Group in the future.

UMS

UNITED MEDICAL SYSTEMS

Our Business Segments



Urology - Lithotripsy

The UMS Group has been active in the North American market since 1996 and was one of the first companies in that market to deploy mobile shockwave therapy equipment in the field of urology. The technology used in this procedure, which is known as lithotripsy, has been steadily improved. Sound impulses are used to treat kidney stones and ureter stones in a safe, reliable and non-invasive manner. UMS's specially trained application teams not only transport and assemble the equipment, but also work with doctors to ensure that it is safely used with the patients. In the past few years, the UMS Group has also expanded into the South American market, with mobile deployment of lithotripters in Chile and Ecuador, thus solidifying its position as the market leader in this field.

Our Business Segments

Urology - Lasers

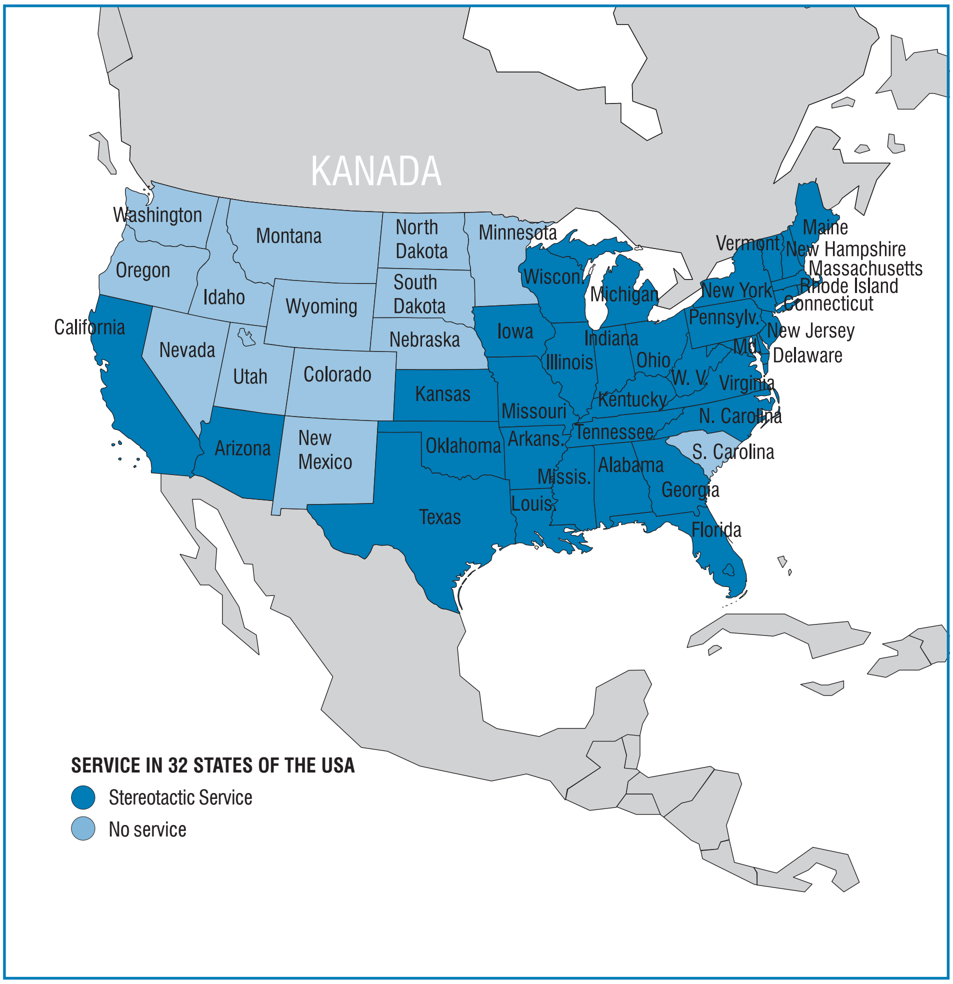
Since 2004, our urology business segment has also included the use of urological lasers to treat benign prostate enlargements. This minimally invasive method is highly effective with only minimal side effects. Benign enlargement of the prostate, also known as BPH (benign prostate hyperplasia), is one of the most commonly occurring illnesses in men. Approximately 50% of all men over age 50 experience prostate enlargement. In North America alone, the UMS Group used mobile urological lasers to treat around 1,250 patients in 2007. Since the end of 2006, the equipment has also been used in Chile, where 340 patients were treated with UMS equipment in 2007. With revenues of EUR 23.0 million, the urology segment continued to be the UMS Group's largest revenue generator in fiscal year 2007.

Our Business Segments

Radiology

In the radiology segment, UMS provides mobile magnetic resonance imaging (MRI) services. MRI equipment produces three-dimensional pictures of the human body using magnetic fields. The technology is used to diagnose changes in the locomotor system, such as the hand, elbow, shoulder, knee and ankle. Three of these machines are now deployed in the United States. UMS takes care of all the logistics, sets up the machines and operates them on site when they are used in the clinic.

Our Business Segments



Gynecology

In the gynecology business segment, UMS focuses on stereotactic breast biopsies. This minimally-invasive procedure is used for early cancer detection and to examine micro calcifications in the female breast. Because this is such an effective and gentle method of examination, particularly when compared to surgery, the stereotactic breast biopsy continued to gain ground over other procedures in North America in the past year. With over 13,300 treatments in 2007, UMS is one of the most successful providers of mobile breast biopsies and is the clear market leader in North America.

Dear Shareholders, Customers, Business Partners and Employees,

Fiscal year 2007 represented a significant turning point in the history of UMS: for the first time, we were exclusively present in the high-growth, high-margin healthcare markets in North and South America, where our operating companies are located. Following the adoption of our new strategic direction, we were also largely able to unwind our remaining legal structures in Europe in 2007.

In our operations in North America, we laid a solid foundation in 2007 for the future growth of the UMS Group. In addition to our strong organic growth – particularly in the field of urology – targeted acquisitions also contributed to our success. For example, in June we acquired a majority interest in Chesapeake Lithotripsy Associates, LP and four additional urology practices related to this partnership. A few weeks later, we again expanded our urology segment: in September 2007 we took over all of InSight Health Corp.'s agreements to provide mobile kidney stone pulverization services and fully integrated them into our existing service routes. We are clearly on the right path: geographic expansion in the United States and additional business for existing logistic structures are the foundation on which we will continue to build in the future.

We also expanded our business in South America during the past fiscal year. On that continent, we added a mobile urological laser to our service offerings in Chile.

In addition, because our business performance was not up to our expectations in the first half of 2007, we conducted a detailed review of UMS USA's orientation along our various lines of business. The initial result of this business line analysis was a decision not to actively market a business unit in the U.S. that was not part of our core business in mobile service solutions. We also restructured operating responsibilities, particularly in the field of gynecology.

The success of these measures was already apparent in the past fiscal year: our business gained in momentum during the second half of the year. All indications are that this trend will continue in the current fiscal year.

We see considerable potential for the UMS business model not only in the expansion of our existing services in the urology segment (lithotripsy and urological laser treatments), but also in brachytherapy. This is a minimally invasive method of treating prostate cancer. By providing mobile brachytherapy service, we offer the urologists in our physician partnerships an ideal opportunity to use state-of-the-art medical technology while at the same time enjoying significant cost savings. In the United States alone, around 60,000 treatments of this kind are conducted every year. A leading insurer has recently changed its reimbursement rules to allow these treatments to be performed and reimbursed in out-patient clinics. This change offers significant opportunities for UMS mobile service, with which we intend to achieve a market share of around 10%.

In the gynecology segment we will profit from the increasing expansion of digital mammograms. This diagnostic technique clearly reveals changes in the breast more often than traditional procedures, and these changes must then be examined using a stereotactic breast biopsy. Although digital technology is currently used in only about 20% of all mammograms, we expect that digital diagnostics will be available almost everywhere over the course of the next two to four years. We therefore believe that there will be significantly more breast biopsies, which will be the basis for our continued growth in the gynecology segment.

The presentation of our Company in euro-denominated figures in 2007 was again influenced by the weakness of the U.S. dollar. The average exchange rate for the euro in 2007 was U.S. $1.37, as compared with U.S. $1.26 in the previous year. The growth in the Company's revenues and earnings is thus not revealed on a euro basis. In spite of a first half that failed to meet our expectations and despite the currency effect, we achieved earnings per share (EPS) of € 0.53 for the continuing business units over the whole of 2007. If the discontinued business units are included, EPS stood at € 0.41.

As in the previous year, earnings per share for the fourth quarter stood at € 0.13, in spite of the considerable negative effects of the exchange rate.

Overall we expect continued growth for the current fiscal year 2008. We intend to increase our revenues on a dollar basis by a low double-digit percentage and to significantly improve earnings. Based on a euro exchange rate of U.S.$1.45, we expect the UMS Group's earnings per share to increase to a range of € 0.55 - € 0.60. For every U.S. $0.05 change in the exchange rate vis-à-vis our planned rate of U.S. $1.45, the earnings per share changes by € 0.02.

With our clearly focused non-cyclical business model, our strong balance sheet and solid growth forecasts for all business segments, we are in an optimal position. We expect that the price of UMS stock will follow our operating performance in the short and medium term, as the extremely unsatisfactory performance over the past few months in no way reflects our Company's solid fundamental data.

The Management Board would again like to thank all employees and partners for their hard work over the past fiscal year. We are especially grateful to our shareholders for their confidence in our company during the past year. We would like to invite you to join us as we continue on our way. We look forward to an eventful and above all successful new year in 2008.

Sincerely,

Jørgen Madsen
Chairman of the UMS AG Management Board

Management and Supervisory Board

Management Board

Jørgen Madsen

Jørgen Madsen (CEO)
Chief Executive Officer,
Mechanical Engineer,
Bolton, USA

Supervisory Board

Norbert Heske Wolfgang Biedermann Prof. Thomas J. C. Matzen

Norbert Heske
Engineer,
Kottgeisering

Wolfgang Biedermann
Deputy Chairman,
MBA, Hamburg

Prof. Thomas J. C. Matzen
Chairman,
MBA, Hamburg

Combined Management Report and Group Management Report of UMS United Medical Systems AG for Fiscal Year 2007

1. Business Model and General Business Conditions

Business Model

The UMS Group is a provider of mobile service solutions in the medical technology sector. This includes providing medical technology equipment on a by-the-day basis and offering related services to physicians, hospitals and day clinics in the fields of urology, gynecology and radiology.

For the most part, the mobile services are offered in roll-on roll-off operation. The equipment owned by the UMS Group is loaded into suitable vehicles and transported to the respective contract customers via fixed service routes. There, UMS Group technicians ensure that the equipment is set up correctly and operated properly. When the treatments are finished, the equipment is broken down into transportable modules and then transported to the next customer. The medical technology equipment is primarily transported during the night.

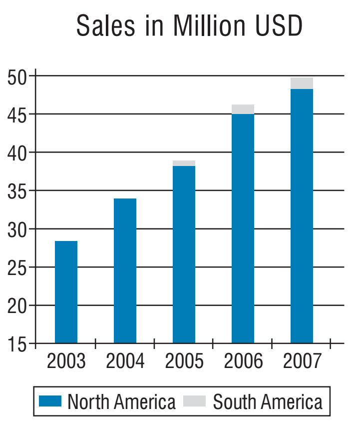
The use of medical technology equipment on a by-the-day basis is generally much less costly for physicians, hospitals and day clinics than purchasing their own equipment and hiring and training their own qualified personnel. In addition, the employees of the UMS Group are experts in the respective technologies.

The UMS Group provides its services on the basis of service contracts with each customer. These long-term contracts (1 to 5 years) are entered into directly with each institution and guarantee that the UMS Group has a solid customer base as well as continuous cash flow. As of the end of the reporting year, the UMS Group had approximately 600 such long-term contracts. Exclusive agreements with equipment manufacturers ensure that the UMS Group has an additional cost advantage when it purchases the necessary equipment, especially compared with other providers of mobile service solutions in the medical sector.

In addition, the UMS Group acts as sales partner for medical technology equipment manufactured by Richard Wolf GmbH and IMS. However, this activity is only a complement to the business model. The UMS Group focuses primarily on providing mobile service solutions.

Focus on Growth Markets in North and South America

In the 2007 fiscal year, the UMS Group's operating companies were for the first time present exclusively in high-growth healthcare markets in North and South America. All of the Group's European operations were sold between 2004 and 2006.



The local companies in North America, i.e., in the U.S. and Canada, contribute by far the largest proportion of the Group's revenue and are thus currently the mainstay of the Group.

But growth rates in South America, while currently still at a low level, are also considerable. Here the UMS Group has a regional presence in Chile and Ecuador.

General Business Conditions

With its focus on regional presence in the United States, the UMS Group is participating in what is by far the largest medical technology market worldwide. With sector revenues of USD 86 billion (as of 2006), the U.S. far outstrips all other countries. The U.S. also leads in healthcare expenditures, with approximately USD 7,000 per person annually.

It is considered a certainty that the U.S. market for medical technology will continue to grow in future, despite current uncertainties in the national economy. Consulting firm A.T. Kearney estimates that the sector will grow in the coming years by an average of 4.7% per year. The UMS Group is therefore active in one of the most lucrative markets of all.

Within the market, the UMS Group is profiting from a non-cyclical business model: UMS's contract partners – physicians and hospitals – use the UMS service almost exclusively to treat patients who have health insurance. For all UMS procedures, there are secure, stable reimbursement provisions in place with the large health insurance carriers.

In South America, Chile remains on a course of exceptional economic and financial stability. Its social and infrastructure policies favor the employment of mobile services in the healthcare sector, and thus the UMS business model.

2. Business Performance

Growth of 8%, after currency adjustments

In the 2007 reporting year, revenue of the continuing business units amounted to € 34.5 million. In the prior year, consolidated revenue amounted to € 34.8 million. The revenue trend reported in the consolidated financial statements was significantly distorted by the development of the USD exchange rate. In 2007, the euro was worth USD 1.37 on average, compared with USD 1.26 in 2006.

After currency adjustments, i.e., after restatement of prior-year figures based on the average exchange rate of the reporting year, revenue grew by € 2.6 million, or 8%, in the continuing business units.

The discontinued business units had revenue of €1.9 million in 2007 (prior year: € 6.5 million).

The following comparison of the 2007 and 2006 fiscal years shows the revenue trend in the continuing business units. In order to make a sensible comparison with the prior year possible, currency effects were eliminated.

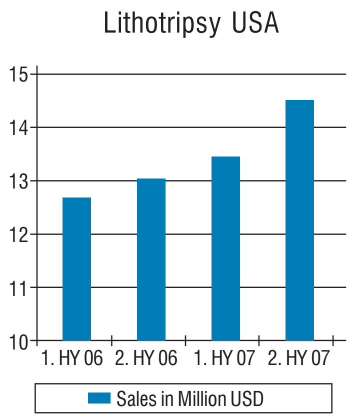
	2007 in k€	2006 in k€ *	*2006 in T€*	Change absolute *	Change in % *
Urology	23,004	21,002	*22,849*	2,002	10
Gynecology	9,600	9,520	*10,385*	80	1
Radiology	1,945	1,462	*1,587*	483	33
Revenue	**34,549**	**31,984**	***34,821***	**2,565**	**8**

* After currency adjustments (prior-year figures restated based on the average USD exchange rate in 2007).

Kidney stone lithotripsy strongest revenue driver in urology

Consolidated revenue in urology, after currency adjustments, increased over the prior year by just under 10%, from € 21.0 to € 23.0 million. While relatively speaking, urology revenue in Chile grew by 49% and thus significantly more strongly than in the United States, the U.S. still accounts for the vast majority of revenues in this business segment in absolute terms, at 97% (prior year: 97%).

The UMS Group's largest treatment segment in urology involves the use of ultrasound technology to break up kidney stones. The number of kidney stone treatments using UMS equipment in the United States increased from approximately 24,300 in 2006 to more than 25,200 in the fiscal year under review. In total, approximately 220,000 such treatments are carried out in the U.S. each year.



During the first half of 2007, the development of this business segment did not yet meet growth expectations. Only in the second half of the year did significant increases in service agreements signed during the first six months lead to actual service dates and the corresponding realization of revenue.The revenue trend thus gained significantly in momentum in the second half of the year.

This development is attributable to organic growth in existing structures and the UMS Group's targeted acquisition policy. At the end of June, UMS USA, in order to round off its regional presence in the northeastern U.S., acquired a majority holding in Chesapeake Lithotripsy Associates, LP, as well as holdings in four other urologist partnerships associated with that firm.

Furthermore, in mid-September the Group took over all customer contracts for mobile kidney stone lithotripsy from InSight Health Corp. and gradually integrated them into its existing service routes.

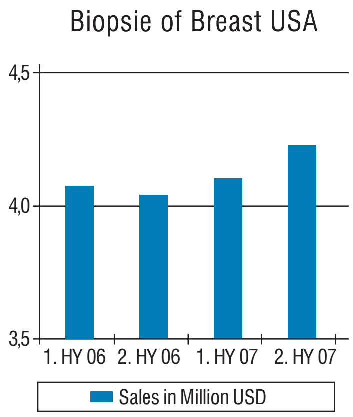
Revenue growth in the urology business segment of the U.S. subsidiary was also enhanced by the mobile deployment of urological lasers for the treatment of benign prostate enlargement. Here new laser technology is increasingly taking over from traditional invasive surgical methods; thus UMS was able to further expand its service offering during the year under review (approximately 1,250 treatments in 2007 compared with 1,110 treatments in the prior year).

The treatment offered in Chile got off to an extremely successful start with the urological green-light laser. By the end of the year, two laser systems were in use. In the first year following introduction to the market, 340 treatments were already carried out.

Gynecology gains in momentum

The UMS Group's gynecology segment consists exclusively of the mobile stereotactic breast biopsy in the United States. In addition to the medical service, UMS also sells the vacuum needles required to carry out this minimally-invasive procedure. In this respect also, the Company has the appropriate agreements with manufacturers.

Treatment figures in 2007 were at the same level as in the prior year; accordingly, revenue rose only slightly after currency adjustments, from approximately € 9.5 million in the prior year to € 9.6 million in 2007. Especially in the area of breast biopsy one can expect that the minimally-invasive procedures provided by the UMS Group will increasingly replace open surgery.



Following a slow start, growth in this segment also increased considerably during the second half of the reporting year. A thorough analysis of the business in the first six months of the reporting year revealed weaknesses in the retention of existing customers, who have since received more intensive customer care.

Besides the provision of mobile services, the gynecology segment also includes the exclusive sale of the Giotto biopsy table manufactured by IMS. There were no sales of these during the reporting period. This, however, had no negative effect on the overall result of the gynecology segment since this offering is only an additional service offered via the core business of the UMS Group.

Further expansion of capacities in radiology

The radiology segment also had only U.S. sales. In 2006, two mobile MRT scanners were employed in the U.S. pursuant to a Certificate of Need (CON), but by the end of the third quarter of 2007 management again increased the capacity by adding a further MRT scanner. The new service routes are also operated under a CON. In some U.S. states, certain medical services may only be offered if a CON has been issued by a state regulating authority. A CON remains in effect indefinitely and guarantees the UMS Group that no competitors will enter the market in the state that issued it.

All routes are secured through long-term customer contracts so that the MRT scanners employed are used at full capacity five or six days per week. Due to this expansion of capacities, revenue from continuing operations in radiology, at € 1.9 million, increased by 33% over the prior year, after adjustment for currency effects.

3. Earnings Position

The key figures for continuing operations reported in the consolidated income statement are indicative of the sustained earnings trend of the UMS Group.

The continuing business units of UMS provide mobile services for the specialized fields of urology, gynecology and radiology in North and South America. Not included, therefore, in the continuing business units are other activities in connection with the sold operations in Europe and one stationary therapy center in the U.S. that is for sale.

In absolute terms, gross profit after currency adjustments improved by more than 6%, from € 16.5 million to € 17.6 million. This includes the impact of the change of the useful lives for urological and gynecological equipment and the vehicles transporting them. The effect of this change amounts to approximately € 0.4 million. Compared with the prior year, operating margins have decreased slightly. The gross profit margin was 51% (prior year: 52%).

The earnings trend thus reflects the delays in revenue trends. The personnel and equipment capacities established in preparation for the expected organic growth were not yet utilized to the expected extent in the first half of 2007, which meant that the earnings trend planned could not be realized.

	Income Statement 2007 in k €	Income Statement 2006 in k € *	*Income Statement 2006 in T€*	Change absolute in k € *	Change in % in k € *
Revenue	34,549	31,984	34,821	2,565	8
Cost of Sales	-16,971	-15,469	-16,870	-1,502	10
Gross profit fron revenue	**17,578**	**16,515**	**17,951**	**1,063**	**6**
Gross margin	**51%**	**52%**	**52%**		

* After currency adjustments (prior-year figures restated based on the average USD exchange rate in 2007).

Figures for revenues and cost of sales for the continuing business units were also adjusted in the income statement for the comparing period 2006 in order to make their presentation structurally comparable.

Selling expenses were at the same level as in the prior year because the changes made in the sales structure during the reporting year were carried out in a cost-neutral manner. The Company is currently developing a concept for more intensive customer care for existing customers in gynecology.

There was also only a slight increase in administrative expenses.

Other operating income and expenses included effects from the disposal of assets, write-downs on receivables and other assets, as well as other non-recurring effects. The balance of these items decreased to € 0.1 million (prior year: € 0.3 million). In the year under review, downward pressure resulted here from costs of consulting services incurred by the UMS Group to evaluate the strategic options for the future structure of the Company.

Operating earnings before interest and taxes (EBIT), after currency adjustments, increased in line with the improvement of the gross margin by 7%, to €11.2 million compared with € 10.5 million in the 2006 fiscal year.

As a rule, the operating result of the core business is identical to EBIT. However, due to the special items in 2006 and 2007, the UMS Group is also presenting an EBIT before special items to facilitate comparison. Here, non-recurring effects were eliminated. In the reporting year this concerned primarily the strategic consulting services mentioned above. In the prior year, special items resulted from the employment of urologists in new partnership models.

Thus the EBIT adjusted for special items was approximately € 1.1 million, or 10%, higher than in the prior year.

	Income Statement 2007 in k€	Income Statement 2006 in k€ *	*Income Statement 2006 in T€*	Change absolute in k€ *	Change in % in k€ *
Gross profit from revenue	**17,578**	**16,515**	***17,951***	**1,063**	**6**
Selling expenses	-2,482	-2,479	*-2,693*	-3	0
General administrative expenses	-3,943	-3,786	*-4,153*	-157	-4
Other operating income and expenses, net	89	298	*331*	-209	-70
Operating result (EBIT)	**11,242**	**10,548**	***11,437***	**694**	**7**
As a percentage of revenue	**32%**	**32%**	***33%***		
- Special items	-197	167	*189*	-364	-
Operating result (EBIT) before special items	**11,439**	**10,381**	***11,248***	**1,058**	**10**
As a percentage of revenue	**33%**	**32%**	***32%***		

* After currency adjustments (prior-year figures restated based on the average USD exchange rate in 2007).

Compared with the prior year, there are no significant changes in net interest income. While the Group's indebtedness was down significantly, this was offset by an increase in average interest rates.

The tax expense reported for the year under review includes not only addition to current income taxes on profits realized in the U.S., but also withholding tax in the amount of € 0.1 million that must be paid on dividends distributed by UMS USA to the parent company.

This means for the UMS Group an overall increase in net income before minority interests of € 0.4 million. Earnings from continuing business units have thus increased to € 8.3 million from € 7.9 million (after currency adjustments) in the prior year.

	Income Statement 2007 in k€	Income Statement 2006 in k€ *	*Income Statement 2006 in T€*	Change absolute in k€ *	Change in % in k€ *
Operating earnings (EBIT)	**11,242**	**10,548**	***11,437***	**694**	**7**
Interest income and expenses	-756	-742	*-807*	-14	-2
Earnings before taxes and minority interests	**10,486**	**9,806**	***10,630***	**680**	**7**
Other taxes	-111	-156	*-169*	45	29
Income taxes	-2,054	-1,698	*-1,859*	-356	-21
Earnings from continuing business units	**8,321**	**7,952**	***8,602***	**369**	**5**

* After currency adjustments (prior-year figures restated based on the average USD exchange rate in 2007).

In the U.S., partnerships with physicians in private practice increased in 2007, both organically and through the acquisition of the Chesapeake Group.

In addition to its consolidated stake in these partnerships, UMS benefits from signing management agreements and receiving compensation for medical technology services. The participating physicians benefit from regular dividend distributions based on their earnings share, which totaled € 5.1 million in 2007 (prior year, after currency adjustments: € 4.4 million).

Accordingly, profit amounting to € 2.5 million was due to the Group's shareholders in 2007 (prior year, after currency adjustments: € 2.7 million).

	Income Statement 2007 in k€	Income Statement 2006 in k€ *	*Income Statement 2006 in T€*	Change absolute in k€ *	Change in % in k€ *
Net income from continuing operations	**8,321**	**7,952**	***8,602***	**369**	**5**
Net income from discontinued operations	-724	-770	*-803*	46	6
Consolidated net income for the year	**7,597**	**7,182**	***7,799***	**415**	**6**
Of which minority interests	5,144	4,448	*4,840*	-696	-16
Of which due the Group's shareholders	2,453	2,734	*2,960*	-281	-10

* After currency adjustments (prior-year figures restated based on the average USD exchange rate in 2007).

Accordingly, earnings per share (EPS) from continuing operations amounted to € 0.53 in the reporting year. Before special items, EPS were € 0.56.

Including the discontinued business units, EPS were € 0.41, or € 0.44 before special items. In addition to follow-up costs resulting from the winding-up of the European service companies in Germany and the United Kingdom, which also included effects from tax audits, this also includes the result from the U.S. business unit that is for sale. This unit that is for sale is not classified as a mobile service business. The UMS Group expects that the sale will further strengthen the core business.

The result from discontinued operations is as follows:

	Income Statement 2007 k€	Income Statement 2006 k€
Revenue	1,901	6,542
Expenses	-2,625	-7,452
Current loss from discontinued operations	-724	-910
Gain on the sale of discontinued operations	0	107
Loss from discontinued operations	-724	-803

In the prior year, the current results from the German, Dutch and UK subsidiaries were still reported as income from discontinued business units, recognized, in part on a pro-rata basis up to the time of sale.

4. Net Worth and Financial Condition

The balance sheet shows noticeable changes resulting from the winding-up of the assets held for sale. Also very significant is the change of the EUR/USD exchange rate from 1.32 on December 31, 2006, to 1.47 at the balance sheet date in the reporting year. Overall, the structure of the UMS Group's balance sheet continued to improve, with the equity ratio now significantly above 50%.

When comparing the balance sheets at December 31, 2007, and December 31, 2006, it must be noted that the prior-year balance sheet was not structurally adjusted to separate out the discontinued business units. Therefore, the U.S. business unit held for sale is still contained in all of the balance sheet line items as of the end of 2006.

At the 2007 balance sheet date, current assets decreased from € 11.9 million to € 11.2 million. Here the increase in receivables and inventories associated with the expansion of business volume has been offset by a currency effect of approximately € 1.0 million resulting from the change in the USD exchange rate between the two balance sheet dates.

Similarly, the non-current assets reported decreased from € 19.2 million in 2006 to € 17.5 million. Approximately € 2.0 million of this was due mainly to the difference in the USD exchange rate between the two balance sheet dates.

Goodwill remained unchanged at less than € 0.1 million at December 31, 2007.

Non-current assets and disposal group assets held for sale are reported separately in the balance sheet. These items include receivables from the buyer of the German service company resulting from the management of equipment financing that legally has not yet transferred to the buyer. A liability in the same amount is shown on the liabilities side of the balance sheet. The assets and liabilities of the business unit held for sale in the United States are also shown here.

The liabilities of UMS AG are denominated primarily in USD. Overall, the liabilities of the UMS Group decreased significantly during the fiscal year under review, even with currency effects taken into account. The bank and leasing liabilities reported were reduced by € 3.8 million, to € 9.5 million. This item contains a currency effect of approximately € 1.0 million resulting from the change in the exchange rate between the two balance sheet dates.

€ 0.5 million of the reported amount consisted of liabilities that were reclassified in connection with the assets held for sale and reported separately. Also included in this item are the liabilities administered by the UMS Group on behalf of the Alliance Medial Group as the purchaser of the German service company. All obligations relating to these liabilities of the UMS Group are fulfilled by the Alliance Medial Group.

As of December 31, 2007, equity amounted to € 16.8 million compared with € 15.4 million in the prior year. Once again, therefore, the equity ratio improved significantly and now stands at 55% (prior year: 44%).

The cash flow of the UMS Group encompasses the effects from both the continuing and the discontinued business units. Total cash flow from operating activities was € 11.5 million (prior year: € 8.0 million). The main effect here was the non-recurrence of tax payments in 2006 related primarily to the sale of Pet Scans Inc. in the 2005 fiscal year.

Cash flow from investing activities amounted to € -2.6 million (prior year: € -3.9 million). Whereas investments in property, plant and equipment, excluding finance leases, were at the prior-year level, less cash was used for business acquisitions in the reporting year as compared with 2006. On the one hand, this is due to the slightly smaller size of the acquisition projects. On the other, a considerable amount of cash was acquired through the Chesapeake Group transaction, so that the effect of this acquisition on the UMS Group's net cash remained small.

The repayment of bank and leasing liabilities continued. In addition, business acquisitions in 2007 were mainly financed from current cash flow, so that bank and leasing liabilities decreased by a total of € 3.6 million. Due to the expansion of the urology business, which is operated on the partnership model, payments to minority shareholders, primarily in the U.S. partnerships, increased by € 0.3 million compared with the prior year, amounting to € 4.7 million in 2007. Thus the cash flow from financing activities amounted to € -8.3 million (prior year: € -7.8 million).

Taking into account currency and deconsolidation effects, the 2007 total cash flow amounted to € 0.2 million so that cash reserves increased from € 3.3 million to € 3.5 million at the end of the year.

5. Employees

Because of the business expansion, the total number of employees in all business units increased from 189 to 210 (both as of December 31). Of these, 2 employees are in Europe (prior year: 9).

The employee stock ownership plan, which was implemented in the course of the Company's listing on the stock exchange, expired during the prior year, and therefore, there are no longer any employee stock options.

6. Business and Position of UMS International AG

UMS International AG is the parent company of the UMS Group. Its shares have traded in the Prime Standard segment of the Frankfurt Stock Exchange since January 1, 2003. The principal activity of UMS International AG involves managing its subsidiaries, continuously optimizing the portfolio, Group-wide reporting, investor relations, providing centralized administrative services to Group companies, central liquidity management and other corporate headquarters functions.

Some of the principal special tasks performed by UMS International AG in the 2007 fiscal year included follow-up activities in connection with the winding-up of the subsidiaries whose operations were sold in the prior year, as well as the evaluation of strategic options for its future corporate structure.

In the 2007 fiscal year, UMS International AG generated approximately € 0.6 million (prior year: €1.2 million) in revenue from management charges, and € 0.3 million (prior year: € 0.4 million) from leasing of medical systems. The Company also earned income from the sale of medical technology equipment to subsidiaries, amounting to EUR 0.5 million. The fall in management charges is primarily due to the reduction of chargeable costs given the staff reductions in the parent company.

Revenue of €1.4 million was offset by cost of sales of € 0.7 million attributable to depreciation and purchasing costs of the medical technology equipment sold.

General administrative and selling expenses were significantly reduced to €0.8 million from € 1.4 million in the prior year. In line with the disposal of the European operations and the outsourcing of some administrative tasks, the number of employees was reduced from 7 to 2 and the office of COO Europe has been abolished.

Net other operating income and expense was at the same level as in the prior year. In contrast to the prior year, income from equity holdings was generated in 2007 from a dividend distribution by the U.S. subsidiary of € 1.9 million. The subsidiary did not distribute a dividend to UMS AG in 2006.

The financial results of UMS AG, i.e., the difference between interest payments and interest income, improved to €-0.1 million in 2007 (prior year: € -0.2 million). This positive result is due to a reduction of debt.

Overall, therefore, earnings from ordinary business activities amounted to € 1.8 million (prior year: € -0.2 million). The improvement over the prior year was due almost exclusively to the distribution mentioned above.

The dividend from the U.S. subsidiary produced a withholding tax liability for UMS International AG of € -0.1 million, and the Company therefore reported net income for the year of € 1.7 million. Prior-year net income was € -0.2 million.

The Company's liquidity was essentially secured through management cost sharing agreed with the subsidiaries and the dividends paid by the U.S. subsidiary.

7. Risk Management

With its transnational focus as a service provider in the increasingly complex health care sector, the UMS Group is inherently exposed to a number of risks. These risks result directly from active business operations. A willingness to incur risks is essential if one wishes to exploit existing business opportunities, which means that risk management is an ongoing task. Processes for identifying, analyzing and controlling risks are thus important instruments for corporate management. Through far-reaching optimization and structuring of the process of obtaining and communicating information, the UMS Group is creating a solid basis for reliable risk assessment. The structures created are detailed in a risk management handbook that is continually revised and adapted to the respective current circumstances.

UMS distinguishes between financial and operating risks. For UMS, financial risks include earnings, liquidity, refinancing, interest rate and currency risks as well as high-risk ventures. Operating risks include market risk, human resources risk, procurement risk, supply risk, and operational risk. Responsible management of these different risks involves the regular, structured collection, analysis and evaluation of all relevant data and information and, in particular, regular planning processes. Structured reporting of the subsidiaries at all corporate levels ensures that management has access to all decision-critical data and information when it needs them.

As part of the Company's controlling, company-specific earnings risks are assessed by means of a standardized reporting system reflected in a handbook for internal accounting, reporting and budgeting guidelines that is updated annually. Actual figures are compared with target figures at least once each month and any discrepancies are analyzed so that necessary measures can be taken. If any risks or problems become apparent outside regular reporting periods, the matter is reported and resolved on immediately. All Group companies submit liquidity risk reports to the Group's central accounting office on a weekly basis. At Group level, cash management is controlled by procuring and providing liquid assets from internal resources and available lines of credit. The Company seeks to offset foreign exchange and interest rate risks by keeping its European and North American business cycles separate and by financing its activities at matching currencies. Only dividend payments of the US-affiliate to the German holding company are not covered by this „natural hedge". Any interest rate exposures not covered thereby are largely hedged by an interest rate swap. To control refinancing risks, the Company collaborates with a number of regional and national financial partners and has implemented a written and oral standardized procedure for handling important company data.

Each business segment entails specific risks of default or loss which the Company seeks to manage by drafting bylaws and rules for the conduct of business specific to each Group company, including a list of transactions that require approval and limit management's powers of representation in such transactions.

With regard to operational risks, the Company seeks to detect changes and trends in the markets early on by carrying out market research, visiting trade fairs and having qualified members of UMS sales and technical teams visit customers on a regular basis. To the extent possible, UMS activities are secured by means of exclusive dealing agreements with manufacturers and suppliers and through long-term customer contracts. In addition to deploying state-of-the-art technology and ensuring a high standard of quality, this is just another way of raising the bar and making it more difficult for competitors to enter the market. The far-sighted human resources planning of UMS is aimed at acquiring, keeping, and motivating qualified employees by offering attractive pay rates including variable components, and regular opportunities for continuing education and training. The procurement of systems, technical accessories and spare parts, the maintenance and service of devices, and regular training for

UMS technicians are guaranteed through long-term general agreements and co-operation agreements with manufacturers. The company seeks to minimize supply risks through the long-term planning of system and staff deployment and by keeping back-up systems available. To minimize operational risks, the Company takes out relevant insurance policies, deploys qualified personnel and regularly assesses and optimizes the processes.

8. Risk Report

After reviewing all risks, the Company determined that there were none in the 2007 reporting year that threatened the continued existence of the UMS Group. There are also no risks discernible that could endanger the Company’s existence in the future.

9. Significant Events after the Balance Sheet Date

Subsequent to the balance sheet date, no events took place that are of significance to the UMS Group and could lead to a different assessment of the Group.

10. Executive Board Renumeration

The compensation consists of fixed and variable components. It is based on section 87 of the German Stock Corporation Act, according to which the overall compensation of each individual Board member must be appropriate in relation to the individual’s tasks and the situation of the company.

The Board members receive fringe benefits including coverage of D&O insurance policies as well as a company car. In addition, their work-related expenses are reimbursed.

The service agreements with the Board members do not comprise any severance payment clauses for the event of an early termination of the employment relationship. There are no separate pension obligations and no share-based compensations.

11. Corporate Governance

The German Corporate Governance Code contains recommendations concerning the management and supervision of German companies listed on stock exchanges. The aim is to make the rules that apply in Germany to corporate management and supervision more transparent to domestic and international investors and to promote confidence in those rules as well as compliance with them. The vast majority of the Code’s standards, recommendations, and suggestions for responsible corporate management have been part and parcel of the UMS corporate culture for years. On December 6, 2007, the Supervisory Board and the Management Board adopted a resolution declaring their intention to comply with the Code as last amended on June 14, 2007. The declaration of compliance pursuant to Art. 161 of the German Stock Corporation Act has been made permanently accessible to the public on the Company’s Web site at www.umsag.com.

12. Report pursuant to § 289(4) of the German Commercial Code and § 315 (4) of the German Commercial Code

The law to implement Directive 2004/25/EC of the European Parliament and of the Council of April 21, 2004, on takeover bids (Takeover Bid Directive Implementation Act) expanded the management report disclosure requirements for companies whose securities are admitted to trading on a regulated market in a member state of the European Union.

1. The Company’s subscribed capital is €6,016,261. It is divided into 6,016,261 shares. All of the shares are ordinary shares, and there are no

classes or series of shares. Every ordinary share entitles its holder to one vote at the shareholders' meeting (Paragraph 19 (1) of the Company's Articles and Bylaws).

2. To the Management Board's knowledge, there are no limitations on the voting rights or transfer of shares, even under agreements between shareholders.

3. According to the disclosure by Thomas J. C. Matzen GmbH, Hamburg, Germany, 16.9% of the voting rights are attributable to this company. This means that this company also owns that percentage of the Company's capital. To the Management Board's knowledge, there are no further direct or indirect interests in the capital that exceed 10% of the voting rights.

4. There are no shares with special rights that grant the possibility of control.

5. Employee investors have no voting right control over the capital.

6. Members of the Management Board are appointed and removed in accordance with Art. 84 of the German Stock Corporation Act which assigns the responsibility therefor to the Supervisory Board. The Supervisory Board is made up of three members, and to constitute a quorum, all three members must participate in the voting. Resolutions require a majority of the votes cast.

Amendments to the Articles and Bylaws are made by the Shareholders' Meeting. In Paragraph 13 (2) of the Articles and Bylaws, the Shareholders' Meeting has availed itself of the opportunity granted by Art.179 (1) sentence 2 of the German Stock Corporation Act to authorize the Supervisory Board to make amendments that affect only the wording of the Articles and Bylaws.

Pursuant to Paragraph19 of the Articles and Bylaws, shareholders' resolutions to amend the Articles and Bylaws are adopted by a simple majority of the votes cast, unless mandatory provisions of law provide otherwise, and to the extent that the law provides for a majority of capital in addition to a majority of votes, they are adopted by a simple majority of the share capital represented when the resolution is passed.

7. The Management Board may issue new shares on the basis of shareholders' resolutions.

Pursuant to Paragraph 6 (2) of the Articles and Bylaws, the Management Board is authorized to increase the share capital, with the Supervisory Board's consent, on one or more occasions prior to May 30, 2010, by a total of up to € 3,008,000 by issuing new no-par-value bearer shares, each theoretically representing € 1.00 of the share capital, in exchange for cash or in-kind contributions. The Management Board is also authorized to exclude the shareholders' preemptive right, with the Supervisory Board's consent. However, an exclusion of the preemptive right is only permissible in the following cases:

- for capital increases with in-kind contributions, in particular to acquire companies or interests in companies
- for fractional shares

Furthermore, pursuant to Paragraph 6 (3) of the Articles and Bylaws, the share capital is conditionally increased by issuing 200,000 no-par-value bearer shares, each theoretically representing € 1.00 of the share capital. The conditional capital increase will only be carried out to the extent that the holders of stock options issued pursuant to the shareholders' resolution of May 24, 2000, exercise their options and the Company does not make treasury shares available to satisfy the options. The new shares shall be entitled to dividends as of the year in which the option is exercised.

Pursuant to the shareholders' resolution of June 12, 2007, the Management Board is authorized to purchase the Company's own shares, up to a limit of 10% of the share capital, by November 30, 2008. The purchase may be made on the stock exchange or through a purchase offer made to all shareholders. The authorization may be exercised on one or more occasions, in whole or in part.

8. The following material agreement exists which is subject to the condition of a change in control of UMS AG:

Dresdner Bank AG, Frankfurt/Main, grants to UMS AG a cash/money market credit facility, for variable drawdowns, in the amount of € 0.6 million. The bank is entitled to terminate this credit facility in whole or in part and demand immediate repayment of all drawdowns plus accrued interest and other amounts due, if persons or companies other than the current owners directly or indirectly or otherwise acquire a majority (more than 50%) of the shares and/or voting rights in UMS AG or otherwise gain control over UMS AG.

9. The Company has not entered into any compensation agreements with Management Board members or employees for the event of a tender offer for the Company.

13. Outlook

In the past fiscal year, the UMS Group stabilized its service business in gynecology and further expanded its urology and radiology business. During the second half of the year, the business clearly gained momentum. Based on current and expected service contracts, this trend will continue in 2008.

The currently much discussed danger of a recession in the U.S. does not affect the UMS Group because its business model focuses on the provision of services to patients with health insurance. Secure, stable reimbursement agreements with the major health insurance companies are in place for all UMS procedures. The 2008 elections in the U.S. and any possible related change in U.S. healthcare policy also do not entail significant effects for the UMS Group's business model.

We therefore expect to be able to further increase revenue and earnings in all segments of the UMS Group in 2008. The UMS Group's goal is strong ongoing growth. This assessment is primarily based on the following trends:

In the U.S., the urology sector will continue to grow as existing partnerships with physicians are expanded and new ones are established. The integration of partnerships acquired in 2007 should begin to make significant contributions to revenue and earnings in 2008. Regional expansion of activities within North and South America is also planned. In this respect, further targeted acquisitions to expand the UMS service network are possible. The UMS Group will thus continue to take advantage of opportunities to optimize existing service routes.

In Urology, the mobile service is complemented by the sale of the P3000 lithotripter manufactured by Richard Wolf GmbH. In 2008, the Company will be able to offer a technologically significantly improved version of this machine with an innovative triple focus, and UMS has successfully obtained an FDA license for this technology in the U.S.

A new UMS Group product, initially introduced in a test market in 2007, is also aimed at physicians specializing in urology. UMS is currently investigating the potential of a mobile Brachy therapy service. Brachy therapy is used in the treatment of prostate cancer and provides a safe and proven alternative to prostatectomy.

In gynecology, UMS is aiming to significantly increase revenue and earnings in 2008 following stagnation in 2007. To this end, it plans to expand its service offering to include additional U.S. states where the UMS Group has so far not been active. Plans call for increasing its presence in the northwestern United States. In addition, the process for implementing new contracts has been modified and significantly speeded up so that these contracts can be translated much more quickly into actual service dates. The monitoring of this process will in future be enhanced by a change in the sales management structure. The Company also plans to optimize and further enhance customer care for existing customers.

In the radiology segment, the primary aim is to win additional service contracts.

The planned disposal of one business unit in the U.S. that is not part of the mobile service business (and thus not part of the UMS Group's core business) will probably be completed during the first half of 2008, as several potential buyers have emerged in talks. Budgeted capital expenditure amounts to approximately € 1.5 million for equipment replacement.

Based on the successful trend in kidney stone treatments in Chile and Ecuador and the extremely successful start of laser therapy in Chile, we expect that the positive trend in South America will also continue in 2008. Here we intend to further expand existing activities in the coming fiscal year.

On the whole, we expect continued growth in revenue for the 2008 fiscal year in the middle single-digit range. Based on a EUR/USD exchange rate of 1.45, we also expect earnings per share to increase from € 0.55 to € 0.60.

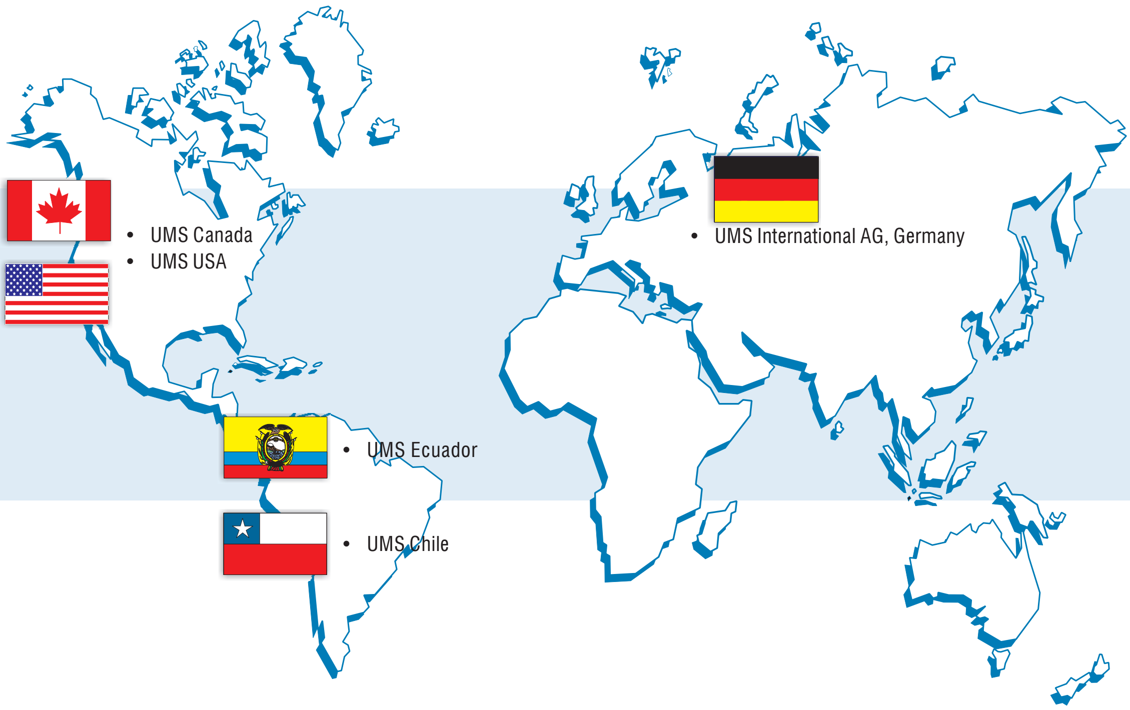
Hamburg, March 18, 2008

(signed) Jorgen Madsen

Responsibility statement

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.

The Management Board



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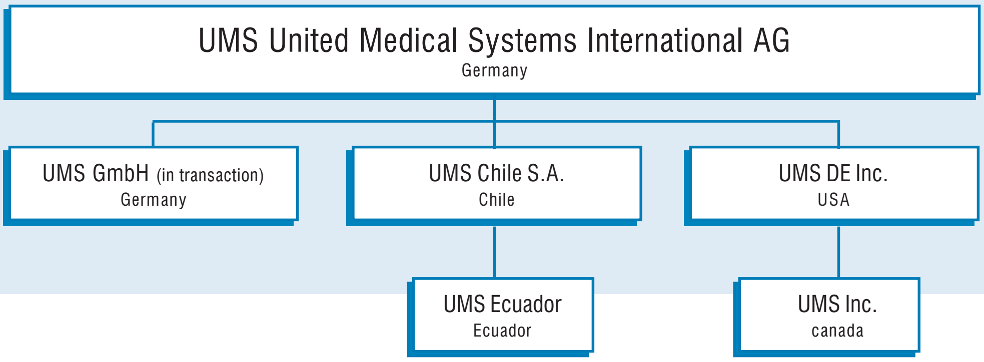
UMS Group Structure



Development of the UMS Group

1996 – 1999

- 1996: Formation of UMS holding, Development of new business strategy, international expansion
- 1997/99: Setting up of business in the U.S., U.K. and the Netherlands
- Initial marketing of new applications
- Expansion of sales organization

2000

- Foundation of UMS International AG and IPO
- UMS International AG takes over Italian Lithomobile S.r.l.
- Takeover of customer basis of First Litho Group, U.S.

2001

- Co-operations with large hospital networks
- 10% investment in PET Scans of America Corp., U.S.
- UMS AG acquires majority of stake in Neuromed AG, Castrop-Rauxel

2002

- Majority ownership 51% of PET Scans of America Corp., U.S.
- UMS receives FDA Conditional Approval for ESWT treatment with Wolftechnology in the U.S.
- UMS takes over the business unit lithotripsy from Alliance Imaging Inc., U.S.
- UMS receives majority ownership 51% of MRI Ireland Ltd. for business expansion in the U.K. and Ireland
- Complete acquisition of Neuromed AG

2003

- UMS started its radiology business segment in the U.S.
- UMS is the first provider for mobile PET-/CT-Technologys in the U.S.
- Management Buy-out Neuromed Solutions GmbH

2004

- assumes full control of PET Scans of America Corp.
- UMS issues a bond worth 3 million USD
- UMS divests in Italy
- UMS received FDA Approval for Piezolith Technology of Richard Wolf

2005

- UMS expands into South America
- UMS divests PET Scans of America Corp. to Alliance Imaging
- Expansion of the branch of Urology in Michigan
- UMS divests parts of MRI Ireland

2006

- UMS divests all remaining European operations in the United Kingdom, Germany and the Netherlands
- Reduction of holding staff

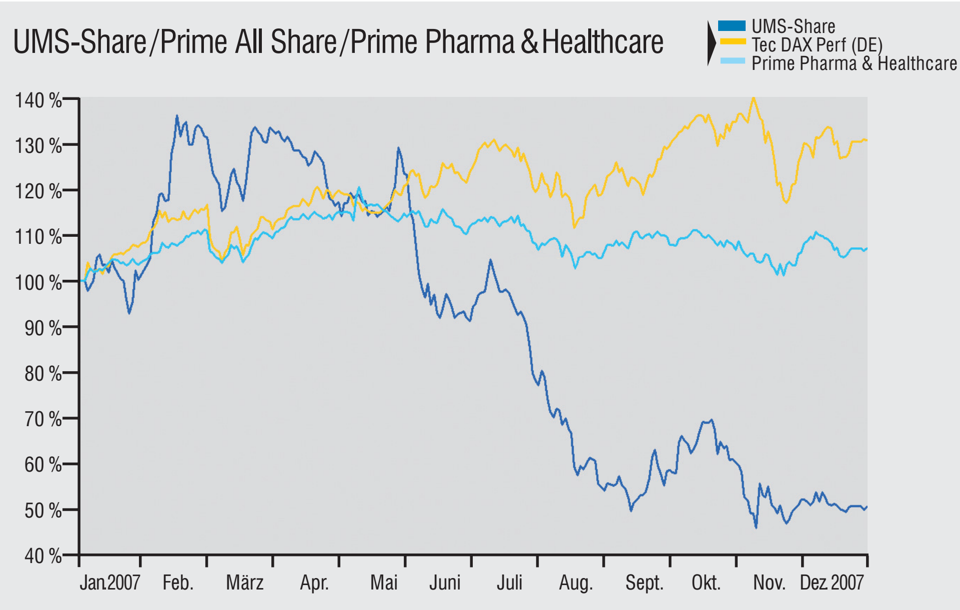
2007

- UMS Group´s operating companies for the first time present exclusively in North and South America
- Acquisition policy targets expansion of Urology Segment in the Northeastern U.S.
- Market introduction of urological laser treatment in Chile

The UMS Share

The subprime mortgage crisis in the United States led to uncertainty on stock markets around the world in the second half of 2007; the UMS share also felt the effects of this (in addition to company-specific influences on the share price) in the second half.

In early 2007, the price of the UMS share continued to climb as it had in the previous year, reaching a high of €11.80 in February (XETRA) and clearly outpacing benchmarks such as the CDAX and the Prime All Share Index. At the end of the second quarter, the price gradually began to fall, hitting its low for the year of €4.07 in November. This resulted not only from the general uncertainty on the financial markets but also from the UMS Group's first-half performance, which had failed to meet expectations. Although the Group's operating business clearly developed momentum during the second half, the share price did not recover, closing the year at €4.47. The annual average was €7.78.



The number of shares in circulation at the balance sheet date was the same as last year: 6,016,261 shares. Thus, market capitalization was significantly down from last year, amounting to approximately €26.9 million (2006: €52.3 million). The Management Board and Supervisory Board held around 11% of the shares, while free float as defined by Deutsche Börse amounted to around 83%.

▶ Shareholder Structure at December 31, 2007

Supervisory Board	4,8	Prozent
Henderson Investors	5,2	Prozent
Management Board	5,75	Prozent
Thomas J.C. Matzen GmbH	16,9	Prozent
Union Investment Privatfonds	5,1	Prozent
Freefloat	62,25	Prozent

M.M. Warburg & Co as Designated Sponsors ensured the highest possibly liquidity of the share and narrow bid/offer spreads. The average daily volume of shares traded in 2007 was 19,023.

Since the reorganization of the German stock market, the shares of UMS International AG have been listed in the Prime Standard segment. The following security identification numbers have been assigned: WKN 549365, ISIN DE0005493654, Bloomberg: UMS GR, Reuters UMSG.DE.

UMS International AG is listed in the following indexes:

CDAX Performance Index	ISIN DE0008469602
Technology All Share	ISIN DE0008468943
Prime Pharma & Health Care	ISIN DE0009660324
Prime All Share	ISIN DE0007203325
Prime IG Medical Technology	ISIN DE0007238024

UMS AG is committed to open, transparent capital market communications. Accordingly, the company will continue its close contact with the financial community in 2008. Plans in this regard call for road shows and participation in capital market conferences, as well as discussions with the media and dialogue with private investors.

Additional information about the UMS share may be found on the Internet at www.umsag.com. This also includes the current joint statement of compliance with the German Corporate Governance Code by the Management Board and Supervisory Board as required by Section 161 of the German Stock Corporation Act.

Key Share Information/Capital Market Figures

(in €)	2007	2006	2005
Stock exchange price (XETRA closing prices)			
- High	11.80	8.92	6.50
- Low	4.07	3.76	2.25
Fiscal year end	4.47	8.70	5.19
Number of shares (fiscal year end, in millions)	6.016	6.016	6.016
Market capitalization (Fiscal year end in million €)	26.9	52.3	31.2
Earnings per share (in €)	0.41	0.42	-1.61

How to contact the investor relations team

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Supervisory Board Report

In 2007, the Supervisory Board of UMS United Medical Systems International AG, which has three members, performed the duties assigned to it by law and under the articles and bylaws, and it also advised and supervised the Company's Management Board on a regular, comprehensive basis. Without exception, it was promptly, directly and extensively involved in all decisions of material importance to the Group.

The members of the Supervisory Board in 2007 were Wolfgang Biedermann (Chairman of the Supervisory Board), Prof. Thomas J.C. Matzen (Vice Chairman of the Supervisory Board) and Norbert Heske.

During the fiscal year, the Management Board delivered oral and written reports and resolutions to the Supervisory Board that provided detailed and timely information on a regular basis concerning the direction of the Company's business policy, current developments, all fundamental issues relating to corporate planning, including financial planning, capital expenditure planning and human resources planning, and transactions requiring approval, as well as general information regarding the state and performance of the Company and its affiliates, including the risk situation, and regarding risk management and internal compliance.

The Management Board and Supervisory Board held six joint meetings in fiscal 2007: on March 20, 2007, March 29, 2007, June 12, 2007, September 28, 2007, November 8, 2007 and December 6, 2007. In addition, the Management Board kept the Supervisory Board Chairman up-to-date with timely, detailed information concerning key developments and decisions; the Supervisory Board Chairman met regularly with the Management Board to discuss important matters relating to the Company's strategy and business policy. The Supervisory Board held detailed discussions with the Management Board based on the documents, reports and estimates presented by the Management Board. Documents requiring a decision, including, without limitation, the single-entity financial statements, the consolidated financial statements, the management report for the Company and for the Group and the auditors' report, were forwarded to the Supervisory Board sufficiently in advance of meetings and reviewed by the Supervisory Board.

The Supervisory Board has reserved the right to approve transactions that are of fundamental significance, especially those which could have a material effect on the Company's cash flows, financial position and results of operations. The Supervisory Board consented to important transactions requiring its approval. Measures of special significance were the evaluation of strategic options for the future structure of the Company and decisions regarding acquisitions to further expand the Urology segment in the United States. The Supervisory Board carefully examined additional measures presented for its approval.

All Supervisory Board meetings included a thorough discussion with the Management Board of the current state of business as well as updated planning in each case. The Group business plan, as well as goals, strategies and efforts by the Management Board to promote business, were also the subject of intense discussion at Supervisory Board meetings.

There were no Supervisory Board committees in the period under review. Because of the Company's overall size and the size of the Supervisory Board, the formation of committees is not regarded as necessary within the foreseeable future. Given the current composition of the Supervisory Board, the formation of committees and resulting division of labor would not actually guarantee an increase in the efficiency of the Supervisory Board's workflows or ensure a reduction in its workload.

At the Supervisory Board meetings on March 20, 2007 and March 29, 2007, the single-entity and consolidated financial statements for the year ended December 31, 2006 were presented by the Management Board, with detailed explanations provided by the Company's auditors. At its meeting on March 29, 2007, the Supervisory Board unanimously approved the single-entity and consolidated financial statements prepared by the Management Board and audited by the auditors as well as the combined management report and Group management report. The agenda for the 2007 Annual Meeting of Shareholders was set at the meeting on March 20, 2007. Advice was taken on the process of evaluating the strategic options for the future structure of the Company, and the Company's operating performance in the United States and Chile was also discussed.

The chief focus of the Supervisory Board's constitutive meeting on June 12, 2007, which was held immediately following the Annual Meeting of Shareholders, was organizing the newly elected Supervisory Board, which included electing its Chairman and Vice Chairman. The composition of the Supervisory Board did not change from the previous years.

At the Supervisory Board meetings on September 28, 2007 and November 8, 2007, the Management Board discussed, in particular, the earnings trends in the current fiscal year and provided detailed analyses on the progress of business in the individual segments in the United States. The organizational structure of the U.S. company was discussed in detail. The Management Board also reported about the status of negotiations on the sale of a business unit in the U.S.

The results for the first nine months of fiscal 2007, the forecast for 2007 and the business plan for 2008 were the focus of discussion at the Supervisory Board meeting on December 6, 2007. At this meeting the Management Board and the Supervisory Board held thorough discussions on the advantages and disadvantages of a stock buy-back program. The joint declaration of conformity by the Management Board and Supervisory Board required by Article 161 of the German Stock Corporation Act was also drafted, discussed and approved.

Each and every member of the Supervisory Board, i.e., Mr. Wolfgang Biedermann (Chairman of the Supervisory Board), Prof. Thomas J.C. Matzen (Vice Chairman of the Supervisory Board) and Norbert Heske, attended all of the Supervisory Board's meetings.

Furthermore, the Supervisory Board regularly communicated with the Management Board on a detailed basis outside of Supervisory Board meetings about current business developments and important transactions and monitored the Management Board's votes. The resolutions to approve two acquisitions of companies in the United States were adopted by a written vote of the Supervisory Board.

In addition, the Supervisory Board discussed the appropriateness of the structure of the Management Board's compensation system at length and reviewed it regularly. In view of the requirements of the German Corporate Governance Code, the Supervisory Board also regularly reviewed, among other things, the efficiency of its own operations. No conflicts of interest materialized on the part of Supervisory Board members.

The Supervisory Board regularly discussed the application of the corporate governance principles. Furthermore, on December 6, 2007 the Management Board and Supervisory Board issued the annual declaration of conformity with the German Corporate Governance Code. The Supervisory Board also satisfied itself that the Company has adhered to and implemented the principles in the German Corporate Governance Code, as amended from time to time, with the exception of the deviations set forth in the declaration of conformity.

The following changes in the personnel of the UMS AG Management Board occurred as of the beginning of fiscal 2007: as part of the Company's new strategic orientation and the related discontinuation of the Company's business in Europe, Ingo Klemke resigned from his position as Chief Operating Officer/Europe effective December 31, 2006, as planned.

The single-entity and consolidated financial statements for the fiscal year ended December 31, 2007, as well as the joint report on the situation of the Company and the Group (management report) for fiscal 2007, were prepared by the Management Board and audited by Ernst & Young Deutsche Allgemeine Treuhand AG, Hamburg. The auditors gave the single-entity and consolidated financial statements and the management report their unqualified opinion. The focal points of their audit included the presentation of company acquisitions in the financial statements as well as the classification and presentation of discontinued operations. The audited single-entity and consolidated financial statements were the main item on the agenda for the Supervisory Board's financial statements meeting on April 17, 2008. All Supervisory Board members received the annual financial statement documents, the audit reports, the Management Board's proposal for use of the distributable profit, as well as all other materials and meeting reports, sufficiently in advance of this meeting. These documents were carefully discussed at the Supervisory Board's financial statements meeting on April 17, 2008. The Company's auditors attended this meeting, reported in detail on the course and material results of their audit and gave detailed answers to all questions. After an extensive discussion of the course and results of the auditors' audit with the Management Board and the auditors and a thorough examination of the auditors' report as well as the Management Board's proposal for use of the distributable profit, the Supervisory Board, also acting on the basis of its own review and discussion of the single-entity and consolidated financial statements, as well as combined Company and Group management report and Management Board's proposal for use of the distributable profit, concurred with the results of the auditors' audit of the single-entity and consolidated financial statements as well as management report for the Company and the Group, and determined that, based on the final result of its review, no objections needed to be raised. At its meeting on April 17, 2008, the Supervisory Board approved the single-entity and consolidated financial statements prepared by the Management Board as well as the management report for the Company and the Group, and therefore adopted the single-entity financial statements (Article 172 Sentence 1 of the German Stock Corporation Act). The Supervisory Board endorsed the Management Board's proposal for use of the distributable profit.

The Supervisory Board thanks the Management Board and all employees for all their accomplishments and hard work in the 2007 fiscal year.

Hamburg, April 17, 2008

Wolfgang Biedermann
Chairman of the Supervisory Board

Consolidated Financial Statements 2007

UMS United Medical Systems International AG

Consolidated Income Statement

for the Financial Year 2007

	Notes	2007 €	2006* €
Continuing Operations			
Revenues		34,549,169.33	34,821,324.80
Cost of revenues	5	-16,970,894.44	-16,869,899.63
Gross profit		**17,578,274.89**	**17,951,425.17**
Distribution and selling expenses	5	-2,482,426.21	-2,693,239.21
General and administrative expenses	5	-3,942,629.14	-4,152,796.65
Other operating income and expenses	5	88,935.34	331,126.15
Operating result		**11,242,154.88**	**11,436,515.46**
Interest income	5	71,132.82	112,675.15
Interest expenditure	5	-827,272.38	-919,290.91
Result before taxes and minority interest		**10,486,015.32**	**10,629,899.70**
Other taxes		-111,642.29	-168,572.95
Income taxes	6	-2,053,618.61	-1,858,677.96
Profit from continuing operations		**8,320,754.42**	**8,602,648.79**
Discontinued operations			
Loss from discontinued operations	7	-723,833.62	-803,349.82
Profit for the year		**7,596,920.80**	**7,799,298.97**
Attributable to Equity holders of the parent		2,452,582.27	2,959,677.93
Minority interest		5,144,338.53	4,839,621.04
Net income per share			
Net income per share (basic)		0.41	0.49
Net income per share (diluted)		0.39	0.48
Net income per share (basic) from continuing operations		0.53	0.63
Net income per share (diluted) from continuing operations		0.51	0.61

		in thousands	
Weighted average shares outstanding (basic)	8	6,016	6,016
Weighted average shares outstanding (diluted)	8	6,216	6,216

* 2006 adjusted due to separate disclosure of discontinued operations

Consolidated Balance Sheet

as of December 31, 2007 and December 31, 2006

ASSETS	Notes	2007	2006
		€	€
Current assets			
Cash and cash equivalents	16	3,516,394.07	3,352,827.30
Trade accounts receivable	15	5,482,101.76	5,930,683.82
Inventories	14	1,244,578.06	1,120,919.83
Prepaid expenses and other current assets		915,766.67	1,518,115.36
Total current assets		**11,158,840.56**	**11,922,546.31**
Non-current assets			
Advance Payments	9	610,752.10	0.00
Property, plant and equipment	9	6,294,222.59	7,295,034.99
Intangible assets	10	10,026,061.41	11,788,834.42
Other financial assets	12	498,499.26	773.90
Goodwill	11	73,748.47	73,748.47
Deferred taxes	6	0.00	17,358.49
Total non-current assets		**17,503,283.83**	**19,175,750.27**
Non current assets held for sale and disposal groups	7	**1,905,430.78**	**3,708,995.86**
Total assets		**30,567,555.17**	**34,807,292.44**

LIABILITIES AND EQUITY	Notes	2007	2006
		€	€
Current liabilities			
Trade accounts payable	20	1,333,625.11	1,041,749.21
Liabilities due to banks	18	2,868,827.69	2,947,947.02
Leasing obligations	18, 21	1,505,545.26	1,580,471.44
Other current liabilities		204,995.96	304,554.99
Liabilities relating to taxes		479,088.46	77,040.32
Other accrued expenses	19	702,258.90	683,176.44
Total current liabilities		**7,094,341.38**	**6,634,939.42**
Non-current liabilities			
Liabilities due to banks	18	3,048,634.40	5,800,137.99
Leasing obligations	18, 21	2,029,891.15	3,004,284.51
Deferred Taxes	6	375,915.11	277,811.41
Total non-current liabilities		**5,454,440.66**	**9,082,233.91**
Liabilities directly associated with the assets classified as held for sale	7	**1,186,354.37**	**3,708,995.86**
Equity			
Share capital	17	6,016,261.00	6,016,261.00
Additional paid-in capitale	17	8,339,704.98	8,339,704.98
Equity portion warrant	17	20,117.04	20,117.04
Cumulative translation adjustment		-6,807,124.77	-4,999,042.37
Accumulated gain/deficit		6,196,735.08	3,744,152.81
Equity attributable to parent company		13,765,693.33	13,121,193.46
Minority interest		3,066,725.43	2,259,929.79
Total equity		**16,832,418.76**	**15,381,123.25**
Total Liabilities and Equity		**30,567,555.17**	**34,807,292.44**

Consolidated Statement of Changes in Equity

	Share Capital	Additional Paid-in Capital	Currency Translation Adjustment
	€	€	€
Balance January 1, 2006	**6,016,261.00**	**8,538,707.17**	**-3,383,557.44**
Foreign currency adjustments			-1,615,484.93
Total income and expense for the year recognised directly in equity			-1,615,484.93
Profit for the year			
Total income and expense for the year			-1,615,484.93
Distribution			
Paid-in Capital Minorities			
Use of Additional Paid-in Capital		-199,002.19	
Disposals			
Balance December 31, 2006	**6,016,261.00**	**8,339,704.98**	**-4,999,042.37**
Balance January 1, 2007	**6,016,261.00**	**8,339,704.98**	**-4,999,042.37**
Foreign currency adjustments			-1,808,082.40
Total income and expense for the year recognised directly in equity			-1,808,082.40
Profit for the year			
Total income and expense for the year			-1,808,082.40
Distribution			
Additions			
Use of Additional Paid-in Capital			
Disposals			
Balance December 31, 2007	**6,016,261.00**	**8,339,704.98**	**-6,807,124.77**

Equity portion of bond	Accumulated gain/ deficit	Equity parent company	Minority Interest	Total equity
€	€	€	€	€
20,117.04	**585,472.69**	**11,777,000.46**	**2,150,208.35**	**13,927,208.81**
		-1,615,484.93	-430,213.97	-2,045,698.90
		-1,615,484.93	-430,213.97	-2,045,698.90
	2,959,677.93	2,959,677.93	4,839,621.04	7,799,298.97
	2,959,677.93	1,344,193.00	4,409,407.07	5,753,600.07
			-4,219,200.57	-4,219,200.57
			10,750.99	10,750.99
	199,002.19	0.00		0.00
		0.00	-91,236.05	-91,236.05
20,117.04	**3,744,152.81**	**13,121,193.46**	**2,259,929.79**	**15,381,123.25**
20,117.04	**3,744,152.81**	**13,121,193.46**	**2,259,929.79**	**15,381,123.25**
		-1,808,082.40	-867,523.20	-2,675,605.60
		-1,808,082.40	-867,523.20	-2,675,605.60
	2,452,582.27	2,452,582.27	5,144,338.53	7,596,920.80
	2,452,582.27	644,499.87	4,276,815.33	4,921,315.20
			-4,141,076.25	-4,141,076.25
			671,056.56	671,056.56
				0.00
20,117.04	**6,196,735.08**	**13,765,693.33**	**3,066,725.43**	**16,832,418.76**

Consolidated Cash Flow Statement

for the Financial Year 2007

	Notes	01.01.-31.12.2007 €	01.01.-31.12.2006 €
Profit for the year		**7,596,920.80**	**7,799,298.97**
Adjustments to reconcile profit for the year to net cash flows:			
Profit/Loss from the sale of business units	**3**	0.00	-107,508.51
Profit/Loss from sale of equipment		-33,525.30	72,700.50
Depreciation on property, plant and equipment		1,820,352.80	3,756,908.15
Depreciation on intangible assets		1,032,594.63	1,083,454.78
Depreciation on goodwill		0.00	0.00
Change in deferred taxes, net		115,462.19	36,547.75
Other non-cash expenses/income		-37,380.69	358,103.93
Working capital adjustments:			
Increase/Decrease in trade receivables		193,920.67	1,293,312.57
Increase/Decrease in Prepaid expenses and other current assets		28,454.00	156,141.18
Increase/Decrease in inventories		-313,167.45	-647,264.90
Increase/Decrease in trade payables		739,072.04	-848,998.32
Increase/Decrease in liabilities relating to taxes		446,994.69	-4,191,209.76
Increase/Decrease in other accrued expenses and current liabilities		-68,660.18	-745,074.60
= Net cash provided by operating activities		**11,521,038.20**	**8,016,411.74**
Purchases of property, plant and equipment, net of finance leasing		-2,193,144.08	-2,225,937.98
Purchases of intangible assets		356.24	0.00
Acquisition of subsidiaries or business units, net of cash acquired		-436,559.00	-2,882,662.53
Proceeds from disposal of business units net of cash transferred		0.00	1,059,953.39
Proceeds from the sale of equipment		31,541.57	142,990.19
= Net cash used in investing activities		**-2,597,805.27**	**-3,905,656.93**

	Notes	01.01.-31.12.2007 €	01.01.-31.12.2006 €
Payments to minority shareholders in partnerships		-4,705,269.13	-4,410,909.46
Net change in long-term debts due to banks		-1,925,784.79	-1,698,070.73
Net change in lease liabilities		-1,900,996.97	-2,497,216.45
Net change in short-term debts due to banks		184,759.76	835,954.07
= Net cash used in financing activities		**-8,347,291.13**	**-7,770,242.57**
Net effect of currency translation in cash and cash equivilants		-381,785.33	-569,668.97
Net decrease in cash and cash equivalents		**194,156.47**	**-4,229,156.73**
+ Cash and cash equivalents at beginning of the period		3,352,827.30	7,581,984.03
= Cash and cash equivalents at end of period	**16**	3,546,983.77	3,352,827.30
Additional information on cash flows			
Payments for interest		-1,088,858.04	-1,440,878.88
Payments for taxes on income		-1,646,470.10	-5,829,708.93
Relevant non-cash transactions			
Purchases of property, plant and equipment financed by finance lease		-1,237,099.57	-1,665,387.40

Notes to consolidated Financial Statements

for the year ended 31 December 2007

1. General

UMS United Medical Systems International AG (hereinafter „UMS AG“) was founded in 1996 in Quickborn, Germany. It is registered in the Commercial Register of the Local Court in Hamburg under No. HRB 77638. The Company has its principal place of business at Borsteler Chaussee 43, 22453 Hamburg, Germany. UMS International AG is a German corporation whose shares are publicly traded. UMS AG is a provider of full-service solutions for mobile medical applications in the growth industry of medical technology. UMS AG pioneered the first mobile use of high-class medical technology worldwide and markets comprehensive services for hospitals and physician specialists. The concepts include complete services for the customer – from system management to applications specialists to the operation of therapy centers.

The Company maintains operating subsidiaries in the U.S., Canada and Chile. The subsidiaries in the respective countries follow the requirements of the national health care markets, guaranteeing participation in national bids and compliance with national regulations for the operation of medical equipment. The principal activities of the Group are described in Note 4 (Segments).

Health care policies and related modifications of the framework conditions – for example the possibility of reimbursement for delivered services from public or private insurance providers – can have a significant impact on operating activities. To minimize these risks, the Company has increased its efforts to constantly monitor current market trends and technical developments.

The releasing consolidated financial statements of UMS International AG under Section 315a of the German Commercial Code for the year ended December 31, 2007 were authorized for issue in accordance with a resolution of the management board on March 18, 2008.

2. Summary of significant accounting policies

Statement of IFRS compliance

The consolidated financial statements of UMS AG and its subsidiaries were prepared in accordance with International Financial Reporting Standards (IFRS) applicable at December 31, 2007 and the supplementary applicable rules in § 315a(1) of the German Commercial Code. All IASB standards and interpretations that have been adopted by the EU and were mandatory for all fiscal years as of January 1, 2007 were applied.

Basis of preparation

The consolidated financial statements were prepared on a historical cost basis, except for derivative financial instruments, which were measured at fair value. The consolidated financial statements are presented in euros. Except as otherwise indicated, all amounts are rounded to k€.

Due to the presentation of discontinued operations, the figures for 2006 are shown separately, where necessary. The activities of a business unit in the United States were allocated to continuing operations in the financial statements published last year. This unit was included under continuing operations in the 2007 consolidated financial statements and under discontinued operations in last year’s consolidated financial statements.

Basis of consolidation

The consolidated financial statements comprise the financial statements of UMS AG and its subsidiaries at December 31 of each year. The financial statements of subsidiaries are prepared for the same reporting year as the parent company, using uniform accounting policies. Adjustments are made to bring into line any dissimilar accounting policies that may exist.

All intercompany balances and transactions, including unrealized profits and losses arising from intra-group transactions, have been eliminated in full.

Subsidiaries are consolidated from the date on which control is transferred to the UMS Group and cease to be consolidated from the date on which control is transferred out of the group. Where the UMS Group loses control of a subsidiary, the consolidated financial statements include the result for the part of the reporting year during which UMS International AG has control. Losses applicable to the minority in a consolidated subsidiary may exceed the minority interest in the subsidiary's equity. The excess, and any further losses applicable to the minority, are allocated against the majority interest except to the extent that the minority has a binding obligation and is able to make an additional investment to cover the losses.

Minority interests represent the portion of profit or loss and net assets not held by the Group and are presented separately in the income statement and within equity in the consolidated balance sheet, separately from parent shareholder's equity.

Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except that the Group adopted those new/revised standards mandatory for the reporting period:

- IFRS 7 – „Financial Instruments: Disclosures"
- IAS 1 – „Presentation of Financial Statements" – Capital Management Disclosures
- IFRIC 9 – „Reassessment of Embedded Derivatives"
- IFRIC 10 – „Interim Financial Reporting and Impairment"

Adoption of these standards and interpretations did not have any material effect on the financial position of the company. They did however give rise to additional disclosures.

The following new or revised standards and interpretations relevant to the operations of the Group were published as of December 31, 2007, but were not yet mandatory as of this balance sheet date:

- IFRS 8 - „Operating Segments" [mandatory as of January 1, 2009]
- IAS 1 – „Presentation of Financial Statements" [mandatory as of January 1, 2009]
- IAS 23 „Borrowing Costs" [mandatory as of January 1, 2009]
- IFRIC 12 „Service Concession Arrangements" [mandatory as of January 1, 2008]

The Group chose not to opt for an early adoption of these standards and interpretations. Except for additional information in the notes to the financial statements, their adoption is not expected to have any material effect on the consolidated financial statements.

Significant accounting judgments and estimates

In the process of applying the Group's accounting policies, management has made judgments. The most significant effect on the amounts recognized is the judgment that the Certificates of Need have an indefinite life, which is consistent with industry standard.

The Group has also entered into a lease agreement for commercially leasing a magnetic resonance imaging system. Since significant benefits and risks associated with the device remain with the Group, the agreement was classified as an operating lease.

The most significant estimates affecting the reported amounts of assets and liabilities are related to useful lives of property or expected future cash flows from the cash generating units. This involves estimate uncertainties, which are not considered material, however, because of the focus since 2006 on high-revenue and high-margin business segments.

Foreign currency translation

The consolidated financial statements are prepared in euros. The currency of the UMS AG and its subsidiaries is the local currency of the country in which each company is located. Assets and liabilities of these companies are translated into euros at the exchange rate effective at the balance sheet date. Revenues and expenses are converted using the average exchange rate effective during each fiscal year. Differences arising from the conversion are recorded in a separate position under equity.

Transactions in foreign currencies are translated at the exchange rates effective at the date of each transaction.

Property, plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and any impairment in value. Depreciation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

Land and Buildings	10 - 25 years
Technical equipment	5 - 10 years
Other equipment	3 - 5 years

The carrying values of plant and equipment are tested for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount. The recoverable amount of plant and equipment is the greater of net selling price or value in use. Impairment losses are recognized in the income statement.

The UMS Group regularly checks for indications of impairment in value. If impairment is present, the UMS Group itself determines the recoverable amount by estimate. If the carrying value of an asset exceeds the recoverable amount, the asset concerned is considered impaired and is written down to its recoverable value.

The recoverable value is the greater of the net selling price of an asset or a cash-generating unit - minus the selling cost - or the value in use. The recoverable value is determined for a single asset, unless the asset generates no inflow of funds largely independent of the other assets or groups of assets.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the income statement in the year the item is derecognized.

The residual values, useful lives and depreciation methods are reviewed at the end of each fiscal year and if appropriate, they are adjusted to ensure that the depreciation method and term are consistent with the expected useful life of the property or equipment. Because the gynecological and urological equipment and the vehicles transporting them are used for much longer than the five-year useful lives assumed thus far, the useful lives were changed on the basis of actual use from five to seven years. The effect of this change on the consolidated results in the reporting year amounts to € 466k. The amount of the effect on the results of future reporting periods will be comparable.

Borrowing costs

Borrowing costs are recognized as an expense when incurred.

Business Combinations and Goodwill

Business combinations are accounted for using the acquisition accounting method.

Goodwill on acquisition is initially measured at cost being the excess of the cost of the business combination over the acquirer´s interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Following initial recognition, goodwill is measured at cost less any accumulated amortization and accumulated impairment losses. The unamortized balances are reviewed annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

As at the acquisition date, any goodwill acquired is allocated to each of the cash-generating units expected to benefit from the combinations synergies. Impairment is determined by assessing the recoverable amount of the cash-generating unit to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognized. Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured on the basis of the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Intangible Assets

Intangible assets acquired separately are capitalized at cost, whereas intangible assets from a business acquisition are capitalized at fair value as at the date of acquisition. Following initial recognition, the cost model is applied to the class of intangible assets. The useful lives of these intangible assets are defined as either finite or indefinite.

The impairment of intangible assets is tested yearly individually or at the level of the cash-generating unit, to the extent that there are indicators of impairment, or assets with unlimited useful lives are involved. Their useful lives are also reviewed with respect to their length and determinability and if necessary, are adjusted on a prospective basis. The nature and influence of changes on an estimated value are discussed in connection with additional disclosures on the balance sheet item „intangible assets.“

Costs of exclusive distribution rights

The US affiliate of the group has acquired the exclusive right to sell lithotripters manufactured by the Richard Wolf company. To obtain this right, UMS Inc., USA, secured the necessary approval of these systems by the Food and Drug Administration (FDA). Thus, costs of the distribution rights are the costs incurred to obtain FDA approval. Approval expenditures incurred are carried forward when their future recoverability can reasonably be regarded as assured. Following the initial recognition of the approval expenditure, the cost model is applied requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses. Any expenditure carried forward is amortized over the period of expected future sales from the related project. Amortization for the first project started on January 1, 2005.

The carrying value of the distribution rights is reviewed for impairment at least annually.

„Certificate of Need (CON)“

In some US states, a certificate of need or similar regulatory approval is required of medical services. The US affiliate of the group has acquired several certificates of need to operate services in states under certificate-of-need laws. The acquired certificates are classified as intangible assets with an indefinite life.

The carrying value of the certificates is reviewed for impairment at least annually.

Overview of valuation methods

	Customer Contracts	Distribution Rights	Certificate of Need
Useful lives	finite	finite	indefinite
Method used	12 years straight line	5 years straight line	none
generated or acquired	acquired	acquired	acquired
Impairment testing	annually and more frequently when an indication of impairment exists	annually and more frequently when an indication of impairment exists	annually and more frequently when an indication of impairment exists

Gains or losses from the derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the income statement when the asset is derecognized.

Investments and other financial assets

Financial assets in the scope of IAS 39 are classified either as financial assets at fair value through profit or loss, as loans and receivables, as held-to-maturity investments or as available-for-sale financial assets, as appropriate. When financial assets are recognized initially, they are measured at fair value. The Group determines the classification of its financial assets after initial recognition and, where allowed and appropriate, re-evaluates this designation at each financial year end.

Financial assets at fair value through profit or loss

The group of financial assets at fair value through profit or loss includes assets held for trading. Derivative financial instruments are also classified as held for trading. Gains or losses on investments held for trading are recognized in profit and loss.

The UMS Group has classified its interest swaps to hedge interest exposure as held for trade. At the balance sheet date, the interest swaps are remeasured at fair value. Any gains or losses arising from changes in fair value are taken directly to net profit or loss for the year.

Held-to-maturity investments

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the group has the positive intention and ability to hold to maturity. Gains or losses are recognized in profit and loss when the investments are derecognized or impaired, as well as through the amortization process.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortized cost using the effective interest method. Gains and losses are recognized in income when the loans and receivables are derecognized or impaired, as well as through the amortization process.

Trade receivables, which generally have 30 to 90 day terms, are recognized and carried at original invoice amount less an allowance for any uncollectible amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when identified.

Available-for-sale financial assets

Available-for-sale financial assets are those non-derivative financial assets that are designated as available-for-sale or are not classified in any of the three preceding categories. After initial measurement, available-for-sale financial assets are measured at fair value with unrealized gains or losses recognized directly in equity until the investment is derecognized or determined to be impaired, at which time the cumulative gain or loss previously recorded in equity is recognized in profit or loss.

Fair Value

The fair value of investments that are actively traded in organized financial markets is determined by reference to quoted market bid prices at the close of business on the balance sheet date. The fair value of financial investments for which there is no active market is determined by the Company itself or by third-party experts using measurement methods.

Amortized Costs

Held-to-maturity investments and loans and receivables are measured at amortized cost. This is computed using the effective interest method.

Impairment of financial assets carried at amortized cost

The Group assesses at each balance sheet date whether a financial asset is impaired. If there is objective evidence that an impairment loss on assets carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate (i.e., the interest rate computed at initial recognition). The carrying amount of the asset is reduced through use of an allowance account. The amount of the loss is recognized in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed to the extent that the carrying value of the asset does not exceed its amortized cost at the reversal date. Any subsequent reversal of an impairment loss is recognized in profit or loss.

In relation to trade receivables, a provision for impairment is made when there is objective evidence that the Group will not be able to collect all of the amounts due under the original terms of the invoice. The carrying amount of the receivable is reduced through use of an allowance account. Impaired debts are derecognized when they deemed uncollectible (e.g., after conclusion of bankruptcy proceedings).

Inventories

Inventories are valued at the lower of cost and net realizable value. The Company trades only with finished goods. Finished goods are carried at cost, on a first-in, first-out basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

Treasury Shares

Own equity instruments which are reacquired (treasury shares) are deducted from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

Cash and cash equivalents

Cash and short-term deposits in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

For the purpose of the consolidated cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above.

Financial liabilities

Interest-bearing loans and borrowings

All loans and borrowings are initially recognized at fair value of the consideration received, net of issue costs associated with the borrowing. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method.

Gains and losses are recognized in net profit or loss when the liabilities are derecognized or impaired, as well as through the amortization process.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss includes financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Compound Instruments

Financial instruments consisting of both liability and equity portions (compound instruments) are split into the components and are stated separately within debt and equity. The split up is based on the fair value of the liability.

Derecognition of financial assets and liabilities

Financial assets

A financial asset is derecognized when:

- The contractual rights to receive cash flows from the asset have expired.
- The Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full to a third party without material delay, pursuant to an agreement that meets the requirements of IAS 39.19.
- The Group has transferred its right to receive cash flows from the assets and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The UMS Group has not assigned any contractual rights to receive cash flows from an asset or entered into a „pass-through arrangement“ within the meaning of IAS 39.19.

Financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired.

Provisions

Provisions are recognized when the Group has a present obligation (legal or factual) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as interest.

Employee Benefits

Stock Options

The employees and management of the Company were granted options to purchase common shares of the Company. No employee compensation expense was recognized for the stock options granted. The exercise period for these options expired in 2006, so no options were recognized at the balance sheet date.

Pensions and other post employment benefits

The UMS Group's US affiliate maintains two defined contribution profit sharing plans, which cover all eligible employees. Contributions to the plan are at the discretion of management. Payout occurs after the age of 65½.

The state pension schemes in Germany to which the UMS Group contributes have been classified as a multi-employer defined contribution plan.

Share-Based Compensation

The UMS Group does not give its employees any form of share-based compensation.

Leases

General

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement at the inception date, and the fulfillment of the arrangement is dependent on whether a specific asset or assets are used or the arrangement conveys a right to use the asset.

For arrangements entered into prior to January 1, 2005, the date of inception is deemed to be January 1, 2005 in accordance with the transitional requirements of IFRIC 4.

Group as Lessee

Finance leases, which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income.

Capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognized as an expense in the income statement on a straight-line basis over the lease term.

Group as Lessor

Leases where the UMS Group does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases with the Group as lessor. Contingent rents are recognized as revenue in the period in which they are earned.

Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

Sale of goods

Revenue is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer.

Rendering of services

Revenue from rental of units and services provided is recognized based on rental days and service hours delivered until December 31.

Interest

Revenue is recognized as the interest accrues (using the effective interest method, i.e., the imputed interest rate used to discount the estimated future inflow of funds over the expected life of the financial instrument) to the net carrying amount of the financial asset.

Dividends

Dividends are recognized when the shareholders' right to receive the payment is established.

Taxes

Current tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are in effect or will soon be in effect as of the balance sheet date.

Deferred tax

Deferred income tax is recognized, using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax assets are recognized for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilized.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Sales Tax

Revenues, expenses and assets are recognized net of the amount of sales tax except:

- where the sales tax incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the sales tax is recognized as part of the cost of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Derivative Financial Instruments

The group uses derivative financial instruments (interest rate swaps) to hedge interest rate risks. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. The fair value of interest rate swaps is determined by reference to market values for similar instruments.

Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative. Any gains or losses arising from changes in fair value that do not qualify for hedge accounting are taken directly to the income statement.

The UMS Group does not use any hedging instruments that would have to be included in the financial statements as a hedging relationship.

A financial instrument is derecognized as soon as the UMS Group no longer controls the contractual rights of the financial instrument. This is normally the case when the financial instrument is sold or all the cash flows allocable to the instrument are transferred to an independent third party.

3. Business Combinations

Acquisitions in 2007

Acquisition of the Chesapeake Group

At the end of June 2007 the Group's U.S. subsidiary acquired a majority interest in Chesapeake Lithotripsy Associates, LP, as well as interests in four urologist partnerships related to this firm. All acquired partnerships are fully included in the consolidated financial statements because the UMS Group exercises control of their financial and business policies, pursuant to management agreements.

The fair value of assets and liabilities as at the date of the acquisition and the corresponding carrying amounts immediately before the acquisition were:

	Fair Value recognized at acquisition k€	Previous carrying amount k€
Cash and cash equivalent	**896**	**896**
+ Trade accounts receivables	353	353
+ Tangible Assets	39	7
+ Intangible Assets	528	0
+ Other Assets	3	3
– Trade account payables	-19	-19
– Accruals and other liabilities	-193	-193
– Minority interests	-671	-671
= Net Assets	**936**	**348**
= Total consideration	**936**	
– Net cash acquired	896	
= Net cash outflow	40	

Since the time of its acquisition, the Chesapeake Group has contributed €225k to consolidated net income. A one-time effect based on the assumption that the acquisition had been completed as of January 1st cannot be determined because the prior months are not structurally comparable to the operations within the UMS Group.

InSight Health Asset Deal

In mid September 2007, the UMS Group (again through its US subsidiary) took over all the customer contracts for mobile kidney stone destruction (lithotripsy) and the related urological equipment.

The fair value of assets and liabilities at the date of the acquisition and the corresponding carrying amounts immediately before the acquisition were:

	Fair Value recognized at acquisition k€	Previous carrying amount k€
Tangible Assets	213	-
+ Intangible Assets (Contracts)	183	0
= Net Assets	**396**	**-**
= Total consideration	**396**	
– Net cash acquired	0	
= Net cash outflow	396	

The book values of the assets immediately prior to the acquisition cannot be indicated because they are not shown in the documentation provided by the seller at the time of the acquisition. The fair value at the time of the acquisition was determined on the basis of a technical appraisal.

The contribution to net income cannot be determined because the acquired contracts were integrated into UMS (DE) Inc. Accordingly a one-time effect based on the assumption that the contract had been acquired as of January 1st of the reporting year cannot be determined.

Acquisitions in 2006

Acquisition of Operations in Michigan

In March of 2006, the Group's US subsidiary acquired a „certificate of need," contracts and other assets and liabilities in connection with a mobile lithotripsy route in Michigan.

The fair value of assets and liabilities as at the date of the acquisition and the corresponding carrying amounts immediately before the acquisition were:

	Fair Value recognized at acquisition k€	Previous carrying amount k€
Intangible Assets (Contracts)	1,870	0
+ Certificate of Need	896	0
+ Tangible Assets	497	497
– Trade accounts payables	-352	-352
= Net Assets	**2,883**	**145**
= Total consideration	**2,883**	
– Net cash acquired	0	
= Net cash outflow	2,883	

4. Segment information

The Group's primary reporting format is business segments and its secondary format is geographical segments. The operating businesses are organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

The urology segment delivers full service solutions mainly for the treatment of kidney stones using sound waves to pulverize stones and laser treatments for non-cancerous enlarged prostate. This segment also includes the sale of Richard Wolff urology systems. Brachytherapy treatment, a type of radiation used to treat prostate cancer, which is offered in a test market, was added to this segment during the reporting year.

The gynecology segment delivers mobile equipment and disposables for early detection of breast cancer. This segment also includes the sale of Giotto gynecology equipment.

In the radiology segment the UMS Group delivers mobile and static MR units.

Within the business units, the operation of a business unit in the United States that was still assigned to the Urology segment in the previous year, constitutes a discontinued operation within the meaning of IFRS 5. Accordingly, this business unit is now shown under discontinued operations.

Within the Group's geographical segments - that are based on the regional activities of the UMS Group – UK/ Ireland, the Netherlands and Germany (without the holding company) meet the criteria of IFRS 5 to be classified as discontinued and are therefore presented separately.

The following tables present revenue and profit information and certain asset and liability information regarding the Group's business segments for the years ended December 31, 2007 and 2006.

Transfers between the segments are accounted at competitive market prices.

Business Segment Data

continuing operations

	Urology		Gynecology		Radiology	
	2007	2006	2007	2006	2007	2006
	k€	k€	k€	k€	k€	k€
External segment revenues	23,004	22,848	9,600	10,386	1,945	1,587
Intercompany segment revenues	0	539	0	180	0	0
Total segment revenues	**23,004**	**23,387**	**9,600**	**10,566**	**1,945**	**1,587**
Segment result	**9,511**	**9,628**	**1,375**	**1,482**	**332**	**314**
Amortization goodwill						
Interest result, net						
Other taxes						
Result before taxes						
Income taxes						
Result before taxes						
Assets of segments	16,971	20,028	6,364	5,674	2,098	2,825
Investments	1	1	0	0	0	0
Nonattributable assets	0	0	0	0	0	0
Total assets	**16,972**	**20,029**	**6,364**	**5,674**	**2,098**	**2,825**
Segment liabilities	3,924	6,079	1,137	1,119	948	1,522
Nonattributable liabilities	0	0	0	0	0	0
Total liabilities	**3,924**	**6,079**	**1,137**	**1,119**	**948**	**1,522**
Other information of segments						
Investments in tangible and intangible assets	2,312	4,304	757	427	92	1,536
Depreciation	1,707	2,351	378	696	433	360
Non-cash relevant transactions	449	476	531	112	92	1,077

Geographical Segment Data

continuing operations

	Germany		Netherlands		USA/Canada	
	2007	2006	2007	2006	2007	2006
	k€	k€	k€	k€	k€	k€
External segment revenues			0	0	33,599	34,135
Intercompany segment revenues			960	1,801	0	0
Total segment revenues			**960**	**1,801**	**33,599**	**34,135**
Other segment information						
Total assets of segments			20,781	23,005	27,695	30,572
Investments in tangible and intangible assets			1	471	3,760	6,249

Other		Consolidation		Total		discontinued operations		Total operations	
2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
k€	k€	k€	k€	k€	k€	k€	k€	k€	k€
0	0	0	0	34,549	34,821	1,901	6,542	36,450	41,363
960	1,082	-960	-1,801	0	0	0	0	0	0
960	**1,082**	**-960**	**-1,801**	**34,549**	**34,821**	**1,901**	**6,542**	**36,450**	**41,363**
-296	**-151**	**320**	**163**	**11,242**	**11,437**	**-321**	**-162**	**10,921**	**11,275**
				0	0	0	0	0	0
				-756	-807	-256	-545	-1,012	-1,352
				-112	-169	-32	-20	-144	-189
				10,374	**10,461**	**-609**	**-727**	**9,765**	**9,734**
				-2,054	-1,859	-115	-76	-2,169	-1,935
				8,321	**8,602**	**-724**	**-803**	**7,596**	**7,799**
3,723	5,998	-1,185	-4,410	27,971	30,115	1,905	3,709	29,876	33,824
19,263	19,263	-19,263	-19,263	1	1	0	0	1	1
600	775	91	207	691	982	0	0	691	982
23,586	**26,036**	**-20,357**	**-23,466**	**28,663**	**31,098**	**1,905**	**3,709**	**30,568**	**34,807**
5,878	9,734	0	-2,803	11,887	15,651	1,186	3,709	13,073	19,360
692	167	-30	-101	662	66	0	0	662	66
6,570	**9,901**	**-30**	**-2,904**	**12,549**	**15,717**	**1,186**	**3,709**	**13,735**	**19,426**
944	625	62	-1,492	4,167	5,400	0	1,432	4,167	6,831
233	48	-267	-155	2,484	3,300	369	1,540	2,853	4,840
165	0	0	0	1,237	1,665	0	0	1,237	1,665

Chile		Consolidation		Total		discontinued operations		Total operations	
2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
k€	k€	k€	k€	k€	k€	k€	k€	k€	k€
950	686	0	0	34,549	34,821	1,901	6,542	36,450	41,363
0	0	-960	-1.801	0	0	0	0	0	0
950	**686**	**-960**	**-1,801**	**34,549**	**34,821**	**1,901**	**6,542**	**36,450**	**41,363**
1,133	987	-20,357	-23,466	28,663	31,098	1,905	3,709	30,568	34,807
344	172	62	-1,492	4,167	5,400	0	1,432	4,167	6,831

IFRS 8 „Operating Segments“ was published in November 2006 and is required to be applied for the first time in fiscal year 2009. Under IFRS 8 companies must provide segment information on the basis of information available to the chief operating decision maker. The effect of this standard on the structure of segment reporting has not yet been clarified. Because the standard relates to mandatory disclosures, its application in fiscal year 2009 will not have any effects on the Group's assets, earnings or net worth.

5. Revenues and expenses

The revenues and expenses presented below are related to the continuing operations.

Other income/expense	2007 k€	2006 k€
Other Income	480	421
Other Expense	-391	-90
	89	**331**

Other income mainly includes profits from disposal of assets, exchange gains and insurance proceeds.

Other operating expenses primarily contain costs of consultants' advice on strategic options for the Company's future structure, write-downs on receivables, exchange losses and other extraordinary expenses.

Finance income

Finance income results from bank interest only.

Finance costs	2007 k€	2006 k€
Bank loans and overdrafts	-472	-507
Other loans	-37	-46
Finance charges payable under finance leases and hire purchase contracts	-318	-366
	-827	**-919**

Included in cost of sales are:	2007 k€	2006 k€
Depreciation tangible assets		
• Owned assets	-216	-1,895
• Assets under finance lease	-1,113	-146
Amortization of intangible assets	-981	-1,002
	-2,310	**-3,043**
Cost of inventories recognized as an expense	-423	-501
Personnel expenses	-6,608	-5,927
Service and maintenance expenses	-1,052	-949
Other expenses	-6,578	-6,450
Total Cost of Sales	**-16,971**	**-16,870**

General and administration expenses	2007 k€	2006 k€
Depreciation tangible assets		
• Owned assets	-81	-83
• Assets under finance lease	-13	-23
Amortization of intangible assets	-27	-26
Personal expenses	-1,933	-1,999
Other expenses	-1,889	-2,022
Total expenses	**-3,943**	**-4,153**

Other expenses include audit fees for the group auditors amounting to € 124k (2006: € 165k). The audit fee in the reporting year relates exclusively to the audit of the consolidated and single-entity financial statements. In the previous year, € 151k related to the audit of the consolidated and single-entity financial statements and € 14k related to tax advice.

Distribution and selling expenses	2007 k€	2006 k€
Depreciation tangible assets		
• Owned assets	-21	-23
• Assets under finance lease	-10	0
Amortization of intangible assets	-22	-102
Personnel expenses	-1,663	-1,823
Other expenses	-766	-745
Total expenses	**-2,482**	**-2,693**

Employee remuneration	2007 k€	2006 k€
Salaries	-8,494	-8,217
Contribution to pension plans	-114	-122
Other social securities	-1,596	-1,410
Total employee remuneration	**-10,204**	**-9,749**

The average number of employees for the year was 210 (2006: 206). Of these 195 were employed in continuing operations (2006: 180).

Depreciation and Amortization Expenses	2007 k€	2006 k€
Property, plant and equipment		
• Cost of Sales	-1,329	-2,041
• Distribution and selling	-31	-23
• General and administration	-94	-106
Total	**-1,454**	**-2,170**
Intangible assets		
• Cost of Sales	-981	-1,002
• Distribution and selling	-22	-102
• General and administration	-27	-26
Total	**-1,030**	**-1,130**
Total expenses	**-2,484**	**-3,300**

6. Income Tax

The major components of income tax expense for the years ended December 31, 2007 and 2006 are:

Consolidated income statement	2007 k€	2006 k€
Current income tax • Current income tax	-1,927	-1,806
Deferred income tax • Relating to origination and reversal of temporary differences	127	-53
Income tax expense reported in consolidated income statement	**-2,054**	**-1,859**

A reconciliation of income tax expense applicable to accounting profit before income tax at the statutory income tax rate to income tax expense at the Group's effective income tax rate for the years ended December 31, 2007 and 2006 is as follows.

	2007 k€	2006 k€
Accounting profit/loss before income tax from continuing operations	10,374	10,462
Profit/loss from discontinued operations	-609	-728
Accounting profit/loss before income tax	**9,765**	**9,734**

	2007 k€	2006 k€
Germany statutory income tax rate of 41.67%(2006: 41.67 %)	-4,070	-4,056
Difference in foreign taxation	4	270
Withholding tax on dividends	-96	0
Difference in domestic taxation (non deductible expenses)	-155	-449
Difference in domestic taxation (non taxable income)	0	330
Deferred tax expense arising from permanent differences	207	202
Impairment on tax assets/deferred tax assets not recognized	-133	-190
Write-up/Correction deferred taxes	0	73
Effect of taxation in limited partnerships	2,145	1,871
Taxes for previous year from operating audit	-116	0
Other	45	14
	-2,169	**-1,935**

	2007 k€	2006 k€
Income tax expense reported in consolidated income statement	-2,054	-1,859
Income tax attributable to the current gain/loss of discontinued operations	-115	-76
	-2,169	**-1,935**

UMS AG has income tax losses of € 11.4 million and € 10.1 million in trade tax losses that are available indefinitely for offset against the Company's future taxable profits, within the limits of §§ 10d (2) EstG; 10a GewStG. No deferred tax assets have been recognized in respect of these losses as they cannot be used to offset taxable profits elsewhere in the Group. As the holding company is not likely to generate future taxable profits, no deferred taxes have been recognized for timing differences for UMS AG.

UMS GmbH has income tax losses of € 13.8 million and € 12.1 million trade tax losses that are available indefinitely for offset against future taxable profits of the company within the limits of §§ 10d (2) EstG; 10a GewStG. Since the UMS Group sold the business operations of UMS GmbH in July 2006, no future taxable profit is expected for the company. For this reason, no deferred taxes have been recognized for timing differences for UMS GmbH.

The UMS group therefore does not recognize any tax assets based on tax loss carryforwards.

Timing differences between taxable income and income stated in accordance with IFRS rules result in deferred tax liabilities of € 0.4 million . Timing differences mainly arise from differences in amortization periods and non tax deductible depreciation on certain assets for tax purposes.

At December 31, 2007 there were no deferred tax liabilities (2006: € 0) for withholding taxes on non-distributed profits from subsidiaries, because future distributions will no longer be subject to withholding taxes due to the change in the double taxation treaties.

7. Discontinued operations

In 2006 the UMS Group decided not to continue its operating activities in Europe and decided to sell its European companies or business operations. As in the consolidated financial statements at December 31, 2006, still existing operating legal entities in Europe were classified as part of discontinued operations.

This relates to the remaining activities of UMS Ltd. UK, whose business operations were sold in March 2006 and whose entry in the Commercial Register in the UK was deleted on April 10, 2007. It was thus completely shut down, as was Germany-based UMS United Medical Systems GmbH.

Pursuant to management's decision to prepare for the complete withdrawal of a business unit in the USA because it was not a part of UMS USA's core business, these activities were also allocated to discontinued operations. Management decided to sell the shares in this business unit and the land and buildings used by it; the sale is expected to be completed in the first half of fiscal 2008. As of December 31, 2007, management had identified potential buyers and held initial discussions about the sale.

At the balance sheet date, the activities associated with these operations are shown as discontinued operations in the income statement, and the assets and liabilities belonging to these sold operations are recognized separately from other assets in the balance sheet.

The results of discontinued geographical business units in Europe and of the business unit held for sale in the United States for fiscal year 2007 and for the previous year were as follows:

	2007 k€	2006 k€
Revenues	1,901	6,542
Expenses	-2,222	-6,465
Loss recognized on the remeasurement to fair value	0	-239
EBIT	-321	-162
Financial Result	-256	-546
Other Taxes	-32	-20
Result before taxes	-609	-728
Tax Expenses related to pre-tax profit/loss (IFRS 5)	-115	-76
Gain/loss for the year from a discontinued operation after tax	-724	-803
Thereof attributable to equity holders of the parent	-724	-852
Thereof Minority interest	0	49

The effects on the result of the sale of discontinued operations (the sale of UMS B.V. and Focus GmbH, the operations of UMS GmbH and Metroscan LLC in 2006) are € 107k in 2006. No businesses were sold during the reporting year. If the effects attributable to the sales are eliminated, the current after-tax lost from the discontinued operations in the previous year amounted to €-697k.

The net cash flows incurred by discontinued operations are as follows:

	2007 k€	2006 k€
Cash flow from current operating activities	-151	-2,107
Cash flow from investing activities	-146	510
Cash flow from financing activities	-1,139	560
Effect of currency translation	0	0
Net cash effect	**-1,436**	**-1,037**

In 2006 cash flow included effects from the sale of subsidiaries, and no such effects occurred in the reporting year.

The major classes of assets and liabilities classified as held for sale at December 31, 2007 are as follows:

	2007 k€	2006 k€
Cash and cash equivalents	31	0
Trade accounts receivables and other assets	441	3,709
Tangible assets	1,222	0
Intangible assets	211	0
Total assets of the group sold	**1,905**	**3,709**
Trade accounts payables	14	0
Other accruals	119	0
Bank and Lease liabilities	1,053	3,709
Total liabilities of the group sold	**1,086**	**3,709**

Assets and liabilities classified as held for sale decreased significantly because claims against the acquirer of the German service company from bank and lease obligations that have not yet been transferred to the acquirer fell significantly because the liabilities were assigned or settled. This is countered by the new classification of a business unit in the U.S. in 2007 as held for sale.

The receivables of the discontinued operations were not past due and had not been written down at December 31, 2007 and December 31, 2006.

The table below summarizes the maturity profile of the discontinued operation's financial liabilities at December 31 based on contractual undiscounted payments:

Bank and Lease liabilities	Up to 1 year	1 to 5 years	Total
2007 (k€)	955	0	955
2006 (k€)	1,993	1,716	3,709

The following table shows the book value and the fair value of the financial instruments of the discontinued operations.

Financial Assets	Carrying amount 2007	Carrying amount 2006	Fair Value 2007	Fair Value 2006
	k€	k€	k€	k€
Cash	31	0	31	0
Loans and receivables	441	3,709	441	3,709
Available-for-sale Investments	0	0	0	0
Derivatives	0	0	0	0

Financial Liabilities	Carrying amount 2007	Carrying amount 2006	Fair Value 2007	Fair Value 2006
	k€	k€	k€	k€
Trade payables	13	0	13	0
Other financial obligations at amortized cost	1,054	3,709	1,054	3,709
Derivatives	0	0	0	0

8. Earnings per share

Basic earnings per share are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year. Diluted earnings per share are calculated by dividing the net profit attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

The following reflects the income and share data used in the total operations basic and diluted earnings per share computations:

	2007	2006
	k€	k€
Profit/loss for the year from continuing operations thereof	8,321	8,602
- Attributable to minorities	5,144	4,790
- Attributable to equity holders of the parent	3,177	3,812
Profit/loss for the year from discontinued operations thereof	-724	-803
- Attributable to minorities	0	49
- Attributable to equity holders of the parent	-724	-852
Profit/loss for the year thereof	7,597	7,799
- Attributable to minorities	5,144	4,839
- Attributable to equity holders of the parent	2,453	2,960

	2007	2006
	k€	k€
Weighted average number of ordinary shares for basic earnings per share	6,016	6,016
Effect of dilution: - Share options	200	200
Adjusted weighted average number of ordinary shares for diluted earnings per share	6,216	6,216

There have been no other transactions involving ordinary shares or potential ordinary shares since the reporting date and before the completion of these financial statements.

Property, Plant and Equipment at Cost and Intangible Assets 2007

	Acquisition and production cost					
	01. Jan. 07	**Effect of changes in exchange rates**	**Changes in consolidated group**	**Additions**	**Disposals**	**31. Dec. 07**
	€	€	€	€	€	€
Intangible Assets						
Intangible Assets	16,476,348.19	-1,767,008.01	0.00	661,654.09		15,370,994.27
Goodwill	15,172,290.41	0.00	0.00	0.00		15,172,290.41
	31,648,638.60	**-1,767,008.01**	**0.00**	**661,654.09**	**0.00**	**30,543,284.68**
Property, plant and equipment						
Advance payments	0.00	0.00	0.00	610,752.10		610,752.10
Land and building	1,324,173.11	-133,886.16	0.00	0.00		1,190,286.95
Technical equipment and machines	16,413,315.51	-1,426,250.56	0.00	1,385,514.01	255,668.33	16,116,910.63
Other equipment, factory and office equipment	4,518,586.81	-459,835.22	0.00	1,508,316.88	208,514.93	5,358,553.54
	22,256,075.43	**-2,019,971.94**	**0.00**	**3,504,582.99**	**464,183.26**	**23,276,503.22**

Accumulated depreciation						Net book value			
01. Jan 07	**Effect of changes in change rates**	**Changes in consolidated group**	**Additions**	**Disposals**	**31. Dec. 07**	**31. Dec. 07**	**thereof discontinued operations**	**thereof continuing operations**	**31. Dec. 06**
€	€	€	€	€	€	€	€	€	€
4,687,513.77	-586,634.93	0.00	1,032,594.63		5,133473.47	10,237,520.80	211,459.38	10,026,061.42	11,788,834.42
15,098,541.94	0.00	0.00	0.00		15,098,541.94	73,748.47	0.00	73,748.47	73,748.47
19,786.055.71	**-586,634.93**	**0.00**	**1,032,594.63**	**0.00**	**20,232,015.41**	**10,311,269.27**	**211,459.38**	**10,099,809.89**	**11,862,582.89**
0.00	0.00	0.00	0.00	0.00	0.00	610,752.10	0.00	610,752.10	0.00
127,348.47	-16,953.28	0.00	49,839.47	0.00	160,234.66	1,030,052.29	993,071.60	36,980.69	1,196,824.64
11,609,761.60	-828,637.23	0.00	1,317,335.74	276,214.02	11,822.246.09	4,294,664.54	229,514.45	4,065,150.09	4,803,553.91
3,223,930.37	-320,693.26	0.00	453,177.59	189,952.97	3,166,461.73	2,192,091.81	0.00	2,192,091.81	1,294,656.44
14,961,040.44	**-1,166,283.77**	**0.00**	**1,820,352.80**	**466,166.99**	**15,148,942.48**	**8,127,560.74**	**1,222,586.05**	**6,904,974.69**	**7,295,034.99**

Property, Plant and Equipment at Cost and Intangible Assets 2006

	Acquisition and production cost					
	01. Jan. 06	**Effect of changes in exchange rates**	**Changes in consolidated group**	**Additions**	**Disposals**	**31. Dec. 06**
	€	€	€	€	€	€
Intangible Assets						
Intangible Assets	15,856,380.85	-1,659,494.47	-142,129.87	2,556,239.08	134,647.40	16,476,348.19
Goodwill	16,423,851.19	29,356.68	0.00	0.00	1,280,917.46	15,172,290.41
	32,280,232.04	**-1,630,137.79**	**-142,129.87**	**2,556,239.08**	**1,415,564.86**	**31,648,638.60**

Intangible Assets						
Intangible Assets	2,694,110.17	-88,915.77	-430,422.66	500,148.34	1,350,746.97	1,324,173.11
Technical equipment and machines	31,373,340.68	-1,275,057.34	-768,187.13	2,900,584.07	15,817,364.77	16,413,315.51
Other equipment, factory and office equipment	5,506,616.62	-404,709.85	-279,927.03	874,642.80	1,178,035.73	4,518,586.81
	39,574,067.47	**-1,768,682.96**	**-1,478,536.82**	**4,275,375.21**	**18,346,147.47**	**22,256,075.43**

Accumulated depreciation						Net book value			
01. Jan 06	Effect of changes in change rates	Changes in consolidated group	Additions	Disposals	31. Dec. 06	31. Dec. 06	thereof discontinued operations	thereof continuing operations	31. Dec. 05
€	€	€	€	€	€	€	€	€	€
4,239,371.28	-484,129.53	-136,498.46	1,083,454.76	14,684.28	4,687,513.77	11,788,834.42	0.00	11,788,834.42	11,617,009.58
16,350,102.72	-4,778.94	0.00	0.00	1,246,781.84	15,098,541.94	73,748.47	0.00	73,748.47	73,748.47
20,589,474.00	**-488,908.47**	**-136,498.46**	**1,083,454.76**	**1,261,466.12**	**19,786,055.71**	**11,862,582.89**	**0.00**	**11,862,582.89**	**11,690,758.05**
831,918.46	-12,200.47	-358,542.01	155,970.65	489,798.16	127,348.47	1,196,824.64	0.00	1,196,824.64	1,862,191.70
19,670,406.88	-780,547.99	-241,459.47	3,067,903.36	10,106,541.18	11,609,761.60	4,803,553.91	0.00	4,803,553.91	11,702,933.80
4,224,973.21	-323,851.02	-195,970.66	533,034.16	1,014,255.32	3,223,930.37	1,294,656.44	0.00	1,294,656.44	1,281,643.41
24,727,298.55	**-1,116,599.48**	**-795,972.14**	**3,756,908.17**	**11,610,594.66**	**14,961,040.44**	**7,295,034.99**	**0.00**	**7,295,034.99**	**14,846,768.91**

9. Property, plant and equipment

Impairment of property, plant and equipment

No impairment of property, plant and equipment was determined in connection with an evaluation of recoverability of the fixed assets of the UMS Group companies.

Immediately before the business unit in the United States was classified as a discontinued operation, the recoverable amount from relevant items of property, plant and equipment was estimated. No need for impairment was determined. As a result of the classification, it was determined whether carrying some of these assets at fair value less costs of sales would result in an impairment expense. However, this did not result in any need to recognize impairment. The fair value was determined in accordance with measurement models that are customary in the industry.

Assets under finance lease

The carrying value of machinery and equipment held under finance leases and hire purchase contracts at December 31, 2007 is € 5,304k (2006: 4,550 k€). Leased assets and assets under hire purchase contracts are pledged as security for the related finance lease and hire purchase liabilities.

Assets acquired in business combinations

Included in the plant and equipment at December 31, 2007 was an amount of € 252k related to expenditure for assets acquired in business combinations.

10. Intangible Assets

The carrying value of intangible assets includes the following items:

- Customer contracts purchased through the effect of a business combination,
- Distribution rights for the exclusive right to sell Piezolith P3000 units produced by Richard Wolf GmbH on the US market,
- „Certificate of Need“ – regulatory approval required before providing medical services in certain US states,
- Software,
- Goodwill.

The contracts were deemed to have definite lives, and the cost method was used to measure them. Based on statistical data, the life was determined to be 12 years. The remaining useful life is between 5 and 12 years.

The costs for the distribution rights are amortized over 5 years, beginning on January 1, 2005. The useful life of software is 3 years.

The assets acquired as part of obtaining the Certificates of Need have no longer been amortized since September 2005. The indefinite life is in line with industry standards, as certificates of this type are awarded for an indefinite period and have no expiration date.

Where amortization is charged on assets with finite lives, this expense is taken to the income statement through the „cost of sale“ line item (customer contracts), the „administration expenses“ line item (software), the „selling expenses“ line item (distribution rights) or the „amortization goodwill“ line item (goodwill).

The book value of intangible assets is as follows:

	2007 k€	2006 k€
Contracts	7,909	9,226
Distribution Rights	43	83
Certificate of Need	2,070	2,470
Software	4	10
Intangible Assets	**10,026**	**11,789**
Goodwill	**74**	**74**

The Group's US affiliate has acquired the exclusive right to sell Piezolith-Units produced by Richard Wolf GmbH. To obtain this right, UMS Inc., USA, secured the necessary approval of these systems by the Food and Drug Administration (FDA). Thus, the costs of the distribution rights are the costs incurred to obtain FDA approval for the P3000 lithotripsy system.

Intangible Assets acquired in business combinations

Contracts and Certificates of Need are assets acquired through business combinations. A Certificate of Need is not subject to any term and is recorded as an intangible asset with an indefinite useful life. The contracts acquired are measured at fair value, and the expected useful life is 12 years.

11. Impairment testing of indefinite lived goodwill, patents and licenses

Goodwill acquired through business combinations in the amount of € 74k (previous year € 74k) was allocated to the US activities for impairment testing.

The recoverable amount of the cash generating units was determined based on a future benefit calculation. To calculate this, cash flow projections are based on financial budgets approved by senior management covering a three-year period. The discount rate applied to cash flow projections is 8.0% (2008: 8.0%). Cash flows for year 4 and following are projected from budget figures assuming a constant number of pieces of equipment in use.

12. Other financial assets – non current

	2007 k€	2006 k€
Claims from payment agreements – long-term	241	0
Claims from financing agreements – long-term	160	0
Other	97	1
	498	**1**

The other financial assets include unlisted equity instruments classified as available-for-sale (shares in unconsolidated subsidiaries), whose fair value cannot be reliably determined and which therefore are carried at amortized cost.

13. Employee benefits

Share-based payment plans

The Company does not grant any share-based compensation.

Stock Option Plan

The exercise period for employee stock options has expired. No new stock option plan has been established. Therefore, at December 31, 2007, as in the previous year, the employees of the UMS Group had no stock options.

Pensions and other post-employment benefit plans

The UMS Group's US affiliate maintains two 401(k) defined contribution profit-sharing plans, which cover all eligible employees. Withdrawals from the plan may not be made before the age of 65½. Contributions to the plan are at the discretion of management. Contribution expense recorded was € 105k and €112k for the years ended December 31, 2007 and 2006, respectively.

Contributions to government pension schemes in Germany, which have been classified as multi-employer defined contribution plans, were € 9k in the reporting year (€ 96k in the previous year). These contributions were expensed in the income statement.

14. Inventories

	2007 k€	2006 k€
Trade goods	980	1,091
Medical equipment	265	30
	1,245	**1,121**

The cost of inventories recognized as an expense in the income statement was € 190 k and € 220 k in 2007 and 2006, respectively.

15. Trade and other receivables (current)

	2007 k€	2006 k€
Trade receivables	5.219	5.665
Claims on related companies	263	266
	5.482	**5.931**

Trade receivables are non-interest bearing and are generally on 30 day terms. The net amount of sales tax receivable and sales tax payable is non-interest bearing and is remitted to the appropriate taxation authorities.

The claims on related companies are claims against UMS Ecuador.

At December 31, 2007, trade receivables in a principal amount of € 204k were impaired and fully provided for, claims in a principal amount of € 2,695k were past due but not impaired (2006: €2,632k). All write-downs are individual write-downs. Movements in the provision for impairment of receivables were as follows:

	k€	
At January 1, 2006	**749**	
Charge for the year	125	
Utilized	-476	
At December 31, 2006	**398**	
Currency Effects	-25	
Charge for the year	122	
Utilized	-291	
At December 31, 2007	**204**	

At December31, the ageing analysis of trade receivables is as follows:

	current	31-60 days	61-90 days	> 90 days	**Total**
2007 (k€)	2.524	1.242	580	1.077	**5.423**
2006 (k€)	3.033	1.308	789	933	**6.063**

16. Cash and Cash Equivalents

Cash at bank and in hand earns interest at floating rates based on daily bank deposit rates. The fair value of cash and cash equivalents is the book value, as in the previous year.

For the purpose of the consolidated cash flow statement, cash comprises the following:

	2007 k€	2006 k€
Cash on hand and in banks	3,516	3,353
Cash on hand and in banks of the discontinued operations (Note 7)	31	0
Cash at the end of the period	3,547	3,353

At December 31, 2007, the Group had unused credit facilities in the amount of € 1,445k (2006: €3,342k), for which all the necessary prerequisites to drawdown had been met.

17. Issued capital and reserves

Authorized

	2007 k€	2006 k€
Ordinary shares of € 1 each	6,016	6,016

The ordinary shares are fully paid in.

Additional paid-in Capital

	2007 k€	2006 k€
Additional paid-in Capital	8,340	8,340

Authorized Capital I

The Management Board was authorized, with the consent of the Supervisory Board, to increase the capital stock on one or more occasions by May 30, 2010 by a total of up to € 3,008,000 by issuing new, no-par-value bearer shares with a theoretical interest in the capital stock of € 1.00 each in exchange for cash contributions or contributions in kind. The Management Board was also authorized, with the consent of the Supervisory Board, to exclude the preemptive rights of shareholders. However, shareholders' preemptive rights may be excluded only in the following cases:

- for capital increases through contributions in kind, especially for the acquisition of business enterprises or interests in business enterprises in exchange for shares in this Company, or
- to settle fractional amounts

On April 2, 2004, 200,000 no-par-value bearer shares were registered on Deutsche Börse with a notional portion of the share capital of € 1.00 each, from the Conditional Capital for securing the option right of one USD bond in the amount of USD 3 million, with dividend rights beginning in the year the option is exercised. The terms and conditions of the bond provide for a strike price of €5.69. The option can be exercised any time until 2011. At the balance sheet date, the fair value of the option was calculated at € 1.09.

The fair value of the liability portion of the warrant amounts to € 2,505,689.96 (USD 2,972,500), thus the balance of the issue price of € 20,177.04 (USD 27,500) has been assigned to the equity element (IAS 32.31).

Buying of own shares

The Management Board is authorized to buy treasury shares up to 10 % of the share capital until November 30, 2008. The shares can only be bought via the stock exchange or via an official offer to all shareholders. This right can be used one or various times partly or in whole.

18. Interest-bearing loans and borrowings

Current	Effective interest rate %	Maturity	2007 k€	2006 k€
Obligations under finance leases and hire-purchase contracts	5 - 12%	2008	1,506	1,580
Bank liabilities				
Bank overdrafts in EUR	Euribor + (1,5 - 2,5%)	2008	115	54
Bank overdrafts in USD	7,5%	2008	780	0
Money market loans in EUR	1M-Euribor + 3,5%	2008	200	500
Bank loans in CLP	Prime + 1,9%	2008	2	44
3,000,000 USD Warrant	8%	2008	407	454
3,500,000 USD Loan	Prime + 0,25%	2008	474	530
3,400,000 USD Loan	Prime + 0,25%	2008	461	514
3,000,000 EUR Loan	6M-Euribor + 2%	2008	375	750
University of Michigan credit note	7,37%	2008	55	57
Equipment financing EUR	4,67%	2008	-	-
Mortgage USD	Prime + 0,5%	2008	-	45
Total			**2,869**	**2,948**

Non-current	Effective interest rate %	Maturity	2007 k€	2006 k€
Obligations under finance leases and hire-purchase contracts	5 - 12 %	2008-2011	2,030	3,004
Bank liabilities				
Bank loans in CLP	Prime + 1,9%	2008	6	14
3,000,000 USD Warrant	8%	2011	895	1,456
3,500,000 USD Loan	Prime + 0,25%	2010	949	1,589
3,400,000 USD Loan	Prime + 0,25%	2011	1,077	1,715
3,000,000 EUR Loan	6M-Euribor + 2%	-	0	375
University of Michigan credit note	7,37%	2010	122	197
Equipment financing EUR	-	-	-	-
Mortgage USD	Prime + 0,5%	2018	-	454
Total			**3,049**	**5,800**

The table shows all obligations from financing leases and rent-to-purchase agreements related to the continuing operations. Obligations under financing leases and rent-to-purchase agreements included under the discontinued operations are shown under Note 7.

Line of credit in EUR

These are several individual lines of credit in Germany with an overall credit facility of € 0.6 million, of which € 0.2 million had not been used at the balance sheet date. The Group's US affiliate has guaranteed the credit line in Germany.

Line of credit in USD

UMS USA's bank has granted it a line of credit in the amount of USD 3.0 million, €1.9 million of which had not been used at the balance sheet date. For the current account line there is a covenant, which had been met as of December 31, 2007, and plan calculations are that it will be met in 2008 as well.

Bank loans in CLP

These are short-term loans from Banco de Chile to provide working capital for the Chilean subsidiary.

3,000,000 USD Warrant

The equal 60 repayments started in April 2006. A covenant agreement (obligation to meet certain financial ratios) is part of the loan contract. Covenants are met at December 31, 2007 and will be met according to budget in 2008.

3,500,000 USD Loan

This loan, which finances the purchase of contracts, regulatory approvals and equipment to expand in the urology segment in the State of Michigan, is payable in 60 monthly installments until December 2010.

USD 3,400,000 Loan

This loan, which is also related to the purchase of contracts, regulatory approvals and equipment to expand in the urology segment in the State of Michigan, is payable in 60 monthly installments until 2011.

EUR 3,000,000 Loan

The loan will be fully amortized with the payment of the remaining amount of €375,000 in 2008. The existing covenant agreements (obligation to meet certain equity ratios) are met at December 31, 2007.

University of Michigan Credit Note

The Group's US affiliate purchased the rights to a certificate of need related to mobile lithotripsy services. The seller accepted a promissory note for USD 500k, which requires annual payments of USD 100k. The annual payment includes principal and accrued interest. The carrying value of the liability therefore has been discounted accordingly.

Mortgage Financing in USD

The mortgage financing is secured by the related building and was shown in 2007 under discontinued operations

For all liabilities, with exception of the University of Michigan credit note, book values are equivalent to repayment values.

19. Accruals/Provisions

	Balance at 01.01.07 k€	Currency Transl. Adjustm. k€	Used during the year k€	Reversed during the year k€	Made during the year k€	Balance at 31.12.07 k€	Thereof Discont. Operat. k€	Thereof continued Operat. k€
Outstanding invoices	33	-6	13	14	242	242	98	144
Legal and consulting fees	69	-3	59	7	55	55	0	55
Audit fees	215	-16	152	47	205	205	0	205
Interest	13	-1	12	0	8	8	0	8
Outstanding vacation	137	-14	0	10	88	201	11	201
Reduction of office space/rent	56	-6	34	0	0	16	0	16
Restructuring	38	0	36	0	0	2	0	2
Bonuses	21	0	21	0	10	10	0	10
Other	101	0	61	17	59	82	10	72
Total	**683**	**-46**	**388**	**95**	**667**	**821**	**119**	**702**

All accruals are current. The restructuring provision relates solely to the remaining expenses from the transaction in connection with the sale of the operating business of UMS UK.

20. Trade and other payables (current)

	2007 k€	2006 k€
Trade payables	1,334	1,042
Other payables	205	305

The terms of the liabilities set forth above are as follows:

- Trade payables are non-interest bearing and are normally settled on 30-90-day terms.
- Other payables are non-interest bearing and are due and payable within an average of three months.

21. Commitments and contingencies

Lessee - Finance Lease

Property leased by the Company and its subsidiaries includes machinery and equipment. The most significant obligations assumed under the lease terms, other than rental payments, are the maintenance of the machinery and insurance. Lease terms generally range from 3 to 6 years.

In the US, there is an unlimited master agreement for trucks with one leasing company. The contract includes a renewal option after the non-cancelable minimum lease term.

The finance lease agreements carried on the balance sheet of the UMS Group also include two agreements for financing assets used by UMS GmbH. These assets were sold in connection with the sale of the company's assets July 2006. At the same time, the purchase agreement stipulates a transfer of the corresponding finance leases to the buyer. As the transfer of these agreements has not yet been completed at the balance sheet date, the corresponding liabilities are still reported in the consolidated financial statements of the UMS Group under discontinued operations. A receivable is shown in the same amount.

The overview below shows all the assets under finance leases, including those of discontinued operations:

	2007 k€	2006 k€
Machinery and equipment	10,256	8,477
Accumulated depreciation	4,952	3,927
Net book value	5,304	4,550

Future minimum lease payments for the above finance leases, including those that have not yet been fully transferred to the buyer of the German operations, are as follows:

	2007 k€	2006 k€
Within one year	2,206	3,494
After one year but no more than 5 years	2,368	4,840
More than 5 years	0	0
Total minimum lease obligations	4,574	8,334
Interest	-513	-940
Present value of minimum obligations	4,061	7,394

Representing finance lease liabilities:

	2007 k€	2006 k€
- current	1,957	2,976
- non-current	2,104	4,418

Future minimum payments from subleasing:	323	3,709

Future minimum payments under subleases relate exclusively to receivables from the buyer of the German operations under leases that have not yet been fully transferred to the buyer at the balance sheet date and are therefore still managed by UMS Group companies at the end of the reporting year.

Lessee - Operating Lease

The Company and its subsidiaries have various operating lease agreements for machinery and vehicles.

Rent expense consisted of the following:	2007	2006
	k€	k€
	335	248

Future minimum lease payments under non-cancelable operating leases are as follows:

	2007	2006
	T€	T€
Within one year	346	283
After one year but no more than 5 years	330	200
After 5 years	0	0
	676	**483**

Operating lease commitments – Group as lessor

UMS AG entered into a lease agreement to commercially lease an MRI unit on December 2006. The term of the 60-month agreement commenced on January 1, 2007. The agreement cannot be cancelled by the lessee. At the balance sheet date there were the following claims to future minimum lease payments pursuant to non-terminable operating leases:

	2007	2006
	T€	T€
Within one year	108	92
After one year but no more than 5 years	362	343
After 5 years	0	0
	470	**435**

Contingent Liabilities

In the ordinary course of business, the Group may be involved in lawsuits, claims, investigations and court proceedings, including product liability and commercial matters. As of December 31, 2007, the management of the parent company and its legal advisors are not aware of any claims or circumstances that could materially affect the business, net assets, financial position or results of operations of the Group.

Possible pending lawsuits, claims and other proceedings involving product liability as well as other events are taken care of in the ordinary course of business; any possible resulting risks are minimized. There are no such matters pending which the management board and the Group's legal advisors expect to be material in relation to the Group's financial position or results of operations and that are not improbable.

22. Related party disclosures

The consolidated financial statements include the financial statements of the UMS AG and the subsidiaries listed in the following table.

The income statement for 2007 also includes the percentage income and expense items of the subsidiary UMS Ltd. UK, which had been deconsolidated at the balance sheet date of December 31, 2007 but was fully consolidated in the previous year's financial statements.

Name	Headquarters	Share in Capital	Equity 31.12.2007	Earnings 2007
			€	€
UMS GmbH	Hamburg, Germany	100%	-47,825.34	-238,839.59
UMS Chile S.A.	Quilicura, Chile	75%	629,531.21	164,280.44
UMS Ecuador	Quito, Ecuador	99%	-42,389.02	-21,401.45
Neuromed Italia	Padova, Italy	100%	k.A.	k.A.
UMS (DE) Inc.	Delaware, USA	100%	14,921,032.89	2,465,702.26
UMS Canada Inc.[1)]	Ontario, Canada	100%	189,332.54	55,115.22
Michigan United MRI Services, LLC [1)]	Massachusetts, USA	100%	446,840.89	323,256.01
UMS Andover MGMT Inc. [1)]	Massachusetts, USA	100%	0.00	0.00
ASC LP 1)	Massachusetts, USA	20%	-485,296.63	-182,083.65
Great Lakes Lithotripsy, LLC [1)]	Michigan, USA	25%	1,570,752.25	3,250,310.38
UMS TN LP [1)]	Tennessee, USA	51%	47,998.72	25,383.31
UMS LLC [1)]	Tennessee, USA	100%	1,259,530.21	820,284.12
UMS Beaver LLC [2)]	Delaware, USA	20%	56,385.77	102,196.51
UMS CT LP [2)]	Connecticut, USA	40%	684,612.50	1,058,818.82
UMS Finger Lakes LLC [2)]	New York, USA	20%	19,243.37	29,441.96
UMS FL LP [2)]	Florida, USA	20%	155,822.28	101,201.77
UMS NE LP [2)]	Massachusetts, USA	15%	591,768.48	1,149,162.33
UMS NH LP [2)]	New Hampshire, USA	10%	118,564.73	200,486.52
UMS Garden State LP [2)]	New Jersey, USA	100%	-17,249.29	0.00
UMS Westchester LLC [2)]	Delaware, USA	51%	134,174.75	133,201.11
UMS Smyth County LLC [2)]	Delaware, USA	25%	6,687.98	2,382.19
UMS Binghamton LLC [2)]	New York, USA	25%	30,830.03	34,890.66
UMS Ortho MGMT, LLC [1)]	Delaware, USA	88%	0.00	0.00
UMS NE ESWT LP [3)]	Delaware, USA	100%	0.00	0.00
UMS South Shore, LLC [2)]	Delaware, USA	20%	131,477.29	88,312.29
UMS Mishawaka, LLC [2)]	Delaware, USA	25%	66,670.76	73,451.34
UMS Chesapeake LLC [1)]	Delaware, USA	100%	743,918.37	44,489.50
Heritage Medical Services of Maryland Inc. [4)]	Tennessee, USA	100%	98,356.67	28,899.46
Health South of Chesapeake Inc. [4)]	Delaware, USA	100%	164,642.75	54,945.76
Chesapeake Lithotripsy Associates, LP [5)]	Maryland, USA	51%	536,222.09	144,497.26
Chesapeake Lithotripsy Enterprises, LP [6)]	Maryland, USA	28%	183,888.51	112,415.58
Chesapeake Lithotripsy West, LP [6)]	Georgia, US	23%	40,082.36	3,185.35
Chesapeake Lithotripsy Partners, LP [6)]	Maryland, USA	28%	30,881.08	26,268.27
Chesapeake Lithotripsy Ventures, LP [6)]	Georgia, US	33%	120,863.06	101,516.15

1) The shares are held indirectly via UMS (DE) Inc.
2) The shares are held indirectly via UMS LLC.
3) The shares are held indirectly via UMS Ortho MGMT LLC.
4) The shares are held indirectly via UMS Chesapeake LLC.
5) The shares are held indirectly via Health South of Chesapeake Inc.
6) The shares are held indirectly via Chesapeake Lithotripsy Associates LP

Where ownership interest is below 50%, subsidiaries were included in the group financial statement, based on the control principle. Equity and earnings of the U.S. companies were translated as of the balance sheet date.

Terms and conditions of transactions with related parties

Sales to and purchases from related parties are made at normal market prices. Outstanding balances at year end are unsecured, and they are settled in cash. There have been no guarantees provided or received for any related party receivables. For the year ended December 31, 2007, the Group has not created any provision for doubtful debts relating to amounts owed by related parties, because the payment history has been excellent. This evaluation is made each fiscal year by examining the financial position of the related party and the market in which the related party operates.

Members of Management and Supervisory Board and Related Party Transactions

(1) Management Board

Jørgen Madsen, Bolten, MA, USA
Mechanical Engineer
Chief Executive Officer (CEO)

Management Board Compensation

(a) In 2007, the compensation paid to the Management Board totaled almost € 205k. In 2006, the expenses for compensation of the Management Board, which the consisted of two persons, amounted to € 366k. Jørgen Madsen's remuneration was € 205k (previous year: € 203k). Of this amount, € 169 k was not linked to performance. The performance related component was € 36k.

(b) Shares held by members of the Management Board:

	direct	indirect
Jørgen Madsen	345,965	0

(2) Supervisory Board

Wolfgang Biedermann, Hamburg
Diplom-Kaufmann (MBA)
Managing Director of the
H.I.G. European Capital
Partners GmbH, Hamburg

Other supervisory board positions:

Scorpion Technologies AG, Hamburg
Newmex Holding AG, Hamburg
PACT AG, Munich
Smart Fuel Cell AG, Munich
Flomerics PLC, London/UK

Norbert Heske, Kottgeisering
Engineer
Managing Director of the BIP Biomed.-
Instrumente und Produkte GmbH, Türkenfeld

Prof. Thomas J.C. Matzen, Hamburg
MBA
Managing Director of the Thomas J.C. Matzen GmbH,
Hamburg

Other supervisory board positions:

Pricap Venture Partners AG, Hamburg
Medi@Bild Imaging AG, Hamburg
Bio Agency AG, Hamburg
Norgenta GmbH, Hamburg
KlimaINVEST GmbH & Co. KGaA

Supervisory Board Compensation

(a) Directors' total remuneration approximated 40 k€ in 2007 and 2006.

(b) Shares held by members of the Supervisory Board:

	direct	indirect
Norbert Heske	50,203	50,203
Wolfgang Biedermann	60,000	108,110
Prof. Thomas J.C. Matzen	0	20,940

Transactions with related parties

There were no transactions with related parties during the fiscal year.

23. Financial risk management objectives and policies

The Group's principal financial liabilities, other than derivatives, consist of bank loans, debentures, finance leases and hire purchase contracts, cash and short-term deposits. The main purpose of these financial instruments is to provide funds for the Group's operations. The Group has various other financial assets, such as trade receivables and cash and short-term deposits, which arise directly from its operations.

The Group also has derivatives in the form of interest rate swaps. The purpose of these interest rate swaps to hedge interest rate risks resulting from the Group's business and its financing sources.

In accordance with its internal guidelines, the UMS does not engage in trading with financial instruments. This was true of fiscal years 2007 and 2006 and will also be true in the future.

The main risks arising from the Group's financial instruments are interest rate risk, liquidity risk, foreign currency risk and credit risk. The board reviews and agrees policies for managing each of these risks and they are summarized below.

Interest rate risk

The Group's exposure to market risk for changes in interest rates relates primarily to the Group's long-term debt obligations.

The Group's policy is to manage its interest cost using a mix of fixed and variable rate debt and to use the financing market in Europe and US. The Group's guidelines provide for fixed interest rates for all equipment financings. For borrowings not related to specific equipment the Management Board decides on the mix of variable and fixed-rate amounts and on whether to use security instruments.

The following table shows the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's profit before tax (through the impact on floating rate borrowings). There is no impact on the Group's equity.

	Increase/ Decrease in basis points	Effect on profit before tax
2007		k€
Euro zone	+100	1
USD zone	+100	-47
Euro zone	-50	-1
USD zone	-50	24
2006		k€
Euro zone	+100	-7
USD zone	+100	-52
Euro zone	-50	+4
USD zone	-50	26

Foreign currency risk

Although the Group has a significant investment in the US, there is no major exchange rate risk due to a natural hedge. Both revenues and costs and loans and repayments are in USD. The currency risk is therefore provided for by separate business cycles in Europe and North America and by financing only in the respective currency.

Thus, there are no material currency risks from individual transactions. Consolidated revenues and consolidated costs are attributable in almost equal portions to other currencies than the functional currency. Therefore, the Group does not use any hedging devices for currency risks.

Showing the consolidated financial statements in the functional currency (the euro), even though they are dominated by business in the United States, does however have effects on the consolidated pre-tax earnings. The following table shows the sensitivity of consolidated pre-tax earnings. There are no effects on consolidated equity. All other variables remain constant.

	Increase/ Decrease in basis points	Effect on profit before tax
2007	€/USD	k€
	+ 10%	-407
	- 10%	498
2006		
	+ 10%	-419
	- 10%	512

Credit risk

The Group trades only with recognized, creditworthy third parties. Receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. The maximum exposure is the carrying amount as disclosed in note 15.

With respect to credit risk arising from the other financial assets of the Group, which comprise cash and cash equivalents, available-for-sale financial assets and certain derivative instruments, the Group's exposure to credit risk arises from default of the counter party, with a maximum exposure equal to the carrying amount of these instruments. There are no significant concentrations of credit risk within the Group

Liquidity risk

The UMS Group constantly monitors the risk of a liquidity shortage through daily and weekly cash statistics and liquidity planning at the level of the individual country companies and weekly cash status reports to Central Controlling.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, debentures, finance leases and hire purchase contracts.

In addition to effective working capital and cash management the UMS Group limits its liquidity risk through permanent access to credit lines at lending institutions. At December 31, 2007 credit facilities in a volume of € 2.6 million were available to the Group, of which €1.2 million had been accessed at the balance sheet date.

The table below summarizes the maturity profile of the Group's financial liabilities at December 31, 2007 based on contractual undiscounted payments.

Year ended December 31,2007	Less than 1 year k€	1 to 5 years k€	>5 years k€	Total k€
Trade payables	1,333	0	0	1,333
Bank liabilities	2,869	3,049	0	5,918
Finance leases	1,505	2,030	0	3,535
Other liabilities	811	0	0	811
Year ended December 31,2006	Less than 1 year k€	1 to 5 years k€	>5 years k€	Total k€
Trade payables	1,042	0	0	1,042
Bank liabilities	2,948	5,554	246	8,748
Finance leases	1,581	3,004	0	4,585
Other liabilities	382	0	0	382

Capital Management

The primary goal of the Group's capital management is to ensure that the Group has a high credit rating and maintains a good equity ratio, to support its business and increase the value of the Company.

The UMS Group monitors its capital using a modified equity ratio consisting of the ratio of modified equity (equity before foreign currency translation adjustments including minority interests, less 50% of intangible assets and 50% of goodwill) to modified total assets (total assets before foreign currency translation adjustments, less 50% of intangible assets). The equity ratio as defined in the previous sentence must be over 0.22.

	2007 k€	2006 k€
Modified equity	18,590	14,449
Modified total assets	32,325	33,875
Equity ratio	0.58	0.43

24. Financial Instruments

Fair Values

The following table shows the book values and fair values of all the Group's financial instruments.

Financial Assets	Carrying amount		Fair value	
	2007 k€	2006 k€	2007 k€	2006 k€
Cash	3,516	3,352	3,516	3,352
Loans and receivables	6,291	6,688	6,291	6,688
Available-for-sale Investments	338	463	338	463
Derivatives	32	16	32	16

Financial Liabilities	Carrying amount		Fair value	
	k€ 2007	k€ 2006	k€ 2007	k€ 2006
Trade payables	1,334	1,042	1,334	1,042
Other financial liabilities at amortized cost	9,692	13,596	9,692	13,596
Derivatives	0	0	0	0

Net gains or losses on financial instruments were as follows:

Financial Assets	Net gains/ losses	
	2007 k€	2006 k€
Cash	31	48
Loans and receivables	-109	-126
Available-for-sale Investments	0	0
Derivatives	16	35

Financial Liabilities	Net gains/ losses	
	2007 k€	2006 k€
Trade payables	0	0
Other financial liabilities at amortized cost	-938	-1,283
Derivatives	0	0

Hedging activities

To reduce possible future interest rate exposure, an interest rate swap with a term of 5 years was entered into on March 3, 2005, hedging the interest rates of loans totaling € 2.5 million at 3.86%. The base rate is the 3-month EURIBOR rate. At the date of execution, this rate was 4.684%. The underlying transaction provides that UMS covers 50% of the difference between the actual 3-month EURIBOR (base rate) and the agreed ceiling of 3.86%. The interest rate swap was measured at fair value (€ 32k) at the balance sheet date.

In addition, the Group's US subsidiary used interest rate swaps to hedge the interest rates for two acquisition loans with variable interest rates of prime plus 0.25% at a fixed rate of 8.6%. The prime rate at the execution date was 7.25%.

25. Declaration of Conformity § 161 AktG (Corporate Governance Code)

The management board and the supervisory board of the parent company – being the only public traded company in the UMS Group – have signed the declaration of conformity in compliance with § 161 AktG and disclosed this to the shareholders.

Hamburg, March 18, 2008

signed Jørgen Madsen

Audit Opinion

We have issued the following opinion on the consolidated financial statements and the group management report:

"We have audited the consolidated financial statements prepared by UMS United Medical Systems International AG, Hamburg, comprising the balance sheet, the income statement, statement of changes in equity, cash flow statement and the notes to the consolidated financial statements, together with the group management report for the fiscal year from January 1, 2007 to December 31, 2007. The preparation of the consolidated financial statements and the group management report in accordance with IFRSs as adopted by the EU, and the additional requirements of German commercial law pursuant to Sec. 315a (1) HGB ["Handelsgesetzbuch": "German Commercial Code"] are the responsibility of the parent company's management. Our responsibility is to express an opinion on the consolidated financial statements and on the group management report based on our audit.

We conducted our audit of the consolidated financial statements in accordance with Sec. 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the consolidated financial statements in accordance with the applicable financial reporting framework and in the group management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Group and expectations as to 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 the group management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the annual financial statements of those entities included in consolidation, the determination of entities to be included in consolidation, the accounting and consolidation principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements and the group 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 comply with IFRSs as adopted by the EU, the additional requirements of German commercial law pursuant to Sec. 315a (1) HGB and give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with these requirements. The group 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."

Hamburg, March 18, 2008

Ernst & Young AG
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft

Grummer	Seeburg
Wirtschaftsprüfer	Wirtschaftsprüferin
[German Public Auditor]	[German Public Auditor]

Glossary

ASC LP	Andover Surgery Center LP, Andover, USA
Focus GmbH	Focus Therapiezentrum-Verwaltungs GmbH, Hamburg, Deutschland
Focus KG	Focus Medizinisches Apparatezentrum Darmstadt GmbH & Co. KG, Darmstadt, Deutschland
Great Lakes Lithotripsy LLC	Great Lakes Lithotripsy, Michigan, USA
Metroscan of Richardson LLC	Metroscan of Richardson LLC, Texas, USA
MRI Ireland Ltd.	Magnetic Resonance Imaging Ireland Ltd., Dublin, Ireland
Neuromed Holland	Neuromed Holland Ltd., The Hague, The Netherlands
Neuromed Italia	Neuromed Italia S.r.l., Padova, Italy
PSAC Corp.	Pet Scans of America Corp., Delaware, USA
Richard Wolf	Richard Wolf GmbH, Knittlingen
UMS (DE) Inc.	United Medical Systems Inc,, Delaware, USA
UMS AG	United Medical Systems International AG, Hamburg, Deutschland
UMS ASC MGMT Inc.	UMS Andover Surgery Center Management Inc., Andover, USA
UMS B.V.	United Medical Systems B.V., Gouda, the Netherlands
UMS Beaver LLC	UMS Beaver Associates LLC, Delaware, USA
UMS Canada LP	United Medical Systems Canada LP, Ontario, Canada
UMS Chile S.A.	United Medical Systems Chile S.A., Quilicura, Chile
UMS CT LP	United Medical Systems Connecticut Lithotripsy LP, Connecticut, USA
UMS Ecuador	UMS Ecuador Sistemas De Unidades Medicas, Quito, Ecuador
UMS Finger Lakes LLC	United Medical Systems Lithotripsy Services of the Finger Lakes LLC, Delaware, USA
UMS FL LP	United Medical Systems West Florida Lithotripsy LP, Florida, USA
UMS GmbH	United Medical Systems GmbH, Castrop-Rauxel, Deutschland
UMS LLC	United Medical Systems Lithotripsy Management LLC, Tennessee, USA
UMS Ltd. UK	United Medical Systems Ltd., Manchester, UK
UMS NE LP	United Medical Systems New England Lithotripsy LP, Massachusetts, USA
UMS NH LP	United Medical Systems New Hampshire Lithotripsy LP, New Hampshire, USA
UMS NJ LP	United Medical Systems Garden State Lithotripsy LP, New Jersey, USA
UMS Ortho MGMT LLC	United Medical Systems Ortho Management LLC, Delaware, USA
UMS TN LP	United Medical Systems Tennessee Stereotactic Services LP, Tennessee, USA
UMS Westchester LLC	United Medical Systems Lithotripsy Services of Westchester County LLC, Delaware, USA
UMS Binghamton LLC	UMS Services of Binghamton LLC, Delaware, USA
UMS Smyth County LLC	UMS Urology Services of Smyth County LLC, Delaware, USA
Michigan United MRI Services LLC	Michigan United MRI Services LLC, Massachusetts, USA
UMS Chesapeake LLC	UMS Chesapeake LLC, Delaware, USA
Heritage Medical Services of Maryland Inc.	Heritage Medical Services of Maryland Inc., Tennessee, USA
Health South of Chesapeake Inc.	Health South of Chesapeake Inc., Delaware, USA
Chesapeake Lithotripsy Associates, LP	Chesapeake Lithotripsy Associates, LP, Maryland, USA
Chesapeake Lithotripsy Enterprises, LP	Chesapeake Lithotripsy Enterprises, LP, Maryland, USA
Chesapeake Lithotripsy West, LP	Chesapeake Lithotripsy West, LP, Georgia, USA
Chesapeake Lithotripsy Partners, LP	Chesapeake Lithotripsy Partners, LP, Maryland, USA
Chesapeake Lithotripsy Ventures, LP	Chesapeake Lithotripsy Ventures, LP, Georgia, USA

Glossary

Application

Use of a med-tech treatment or examination procedure

Biopsy

Micro diagnosis of soft tissue, which is taken out of the female breast by minimized instruments

Carcinoma

Malignant tumor

Cardiology

Medical area, which is focussed on the deseases and sickness of the human heart

Cath Lab

Catherisation laboratory, radiology method to diagnose the human heart with the support by minimized catheters

Computer Tomography (CT)

Method of diagnostic imaging that uses x-rays to create cross-sectional views of areas of the body

DRG

Diagnostic related groups. System used by hospitals of charging flat, standardized rates on the basis of diagnosis-based classifications and services performed.

ESWL

Extracorporeal shock wave lithotripsy. Minimally invasive method of treating urological and gastroenterological indications (kidney stones, ureter stones, gallstones).

Extracorporal

Outside the body

Gynecology

Branch of medicine devoted to women's health.

Lithotripter

An instrument designed to crush kidney stones

Minimally Invasive

Term used to describe treatments that use the least amount of surgery possible

MRT

Magnetic resonance tomography. Cross-sectional imaging technique that uses magnetic fields to diagnose changes in the musculoskeletal system, including the hand, elbow, shoulder, knee and ankle.

Nuclear Medicine

Diagnostic and therapy with radioaktive sources

Radiology

Branch of medicine that deals with diagnosing the human body by using x-ray. Second-largest business segment of the UMS Group.

Shock Wave Therapy

Non-invasive treatment of urological and orthopedic indications. Examples include breaking up kidney stones and gallstones, as well as treating shoulder calcifications and tennis elbow.

Stereotaxis

Controlled radiology procedure during a stereotactic procedure

Urology

Branch of medicine that deals with the detection and treatment of diseases affecting the kidneys, the ureter and the male sex organs. The largest business segment of the UMS Group.

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UMS

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