UMS

UNITED MEDICAL SYSTEMS

Solutions For Better Patient Care

UMS Annual Report 2009

United Medical Systems International AG

UMS Annual Report of the Group 2009
United Medical Systems International AG

Key Indicators *

in million €	January 1 to December 31, 2009	January 1 to December 31, 2008	Change in %
Revenues *	35.7	33.6	6%
Gross Profit * in %	17.9 50%	16.3 48%	10%
Depreciation and Amortization *	2.9	2.9	1%
EBITDA * in %	14.5 41%	13.6 41%	6%
EBIT * in %	11.5 32%	10.7 32%	8%
Profit for the year in %	9.5 27%	8.2 24%	16%
Numbers of employees as of 31 December *	207	198	5%

* without discontinued operation; 2008 adjusted due to separate disclosure of discontinued operations

Financial Calendar

April 22, 2010	Annual Report 2009
May 12, 2010	3 Month Report 2010
June 3, 2010	Annual Shareholders' Meeting, Hamburg
August 13, 2010	6 Month Report 2010
November 12, 2010	9 Month Report 2010
November 22-24, 2010	Analyst Conference, Deutsches Eigenkapitalforum, Frankfurt/Main

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UMS
UNITED MEDICAL SYSTEMS

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

Dear Shareholders,

The year 2009 was an especially challenging one and, for many companies, extremely difficult. The worldwide financial crisis seeped into the real economy, and the global economy experienced the deepest recession since the end of World War II, which stretched well into 2009. In view of this situation, I am all the more happy to report that the UMS Group's business performance was once again stable. In fiscal 2009, we again finished off the year with a profit, and earnings per share from continuing operations amounted to €0.52, as in the prior year.

In the past fiscal year, the UMS Group's revenues rose to €35.7 million; in 2008, the comparable revenues would have amounted to €33.6 million. This development is primarily driven by the growth in our core Urology and Gynecology segments.

By far the most important service offered by the UMS Group is still the ultrasound technology used to break up kidney stones, which is attributable to the Urology segment. The number of kidney stone treatments performed by UMS in the United States grew from around 26,400 in 2008 to nearly 27,400 in fiscal 2009. At the same time, higher revenues per treatment bolstered the encouraging revenue trend in this area.

The UMS Group's Urology segment also includes the mobile deployment of urological lasers for the treatment of benign prostate enlargement. The number of treatments performed in this segment was down slightly from the previous year's figure. Correspondingly, we further reduced our laser therapy capacity, while at the same time positioning an innovative treatment option, the Biolitec EVOLVE® Laser System, on the market.

In the Gynecology segment, we currently offer only mobile stereotactic breast biopsies 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 the past fiscal year, the Group's stepped-up activities in the western United States also contributed to the positive development of this business segment. In August 2009, we acquired customer contracts and two pieces of medical equipment from a regional competitor in the state of California.

We have additionally been offering our customers an alternative imaging procedure for breast biopsies since the end of 2009, which involves using a flexible ultrasound scanner to localize the tissue. This method is particularly attractive to physicians who wish to offer breast biopsies in their practices, giving UMS the opportunity to reach new customer groups.

Our business was profitable, even during the 2009 recession. Our earnings before interest and taxes (EBIT) increased from €10.7 million to €11.5 million, for an EBIT margin of 32%. Consolidated net income before minority interest improved from €8.2 million to €9.5 million. The interest attributable to third parties, which generally hold a stake in UMS AG's subsidiaries through physician partnerships, amounted to €6.9 million in fiscal 2009 after totaling €5.2 million in 2008.

Accordingly, profit amounting to €2.6 million was attributable to the parent company's shareholders in 2009 (2008: €3.1 million). Our earnings per share therefore dropped from €0.52 in 2008 to €0.48 in the reporting year. However, this decrease was caused solely by non-recurring effects of €-0.04 per share relating to discontinued operations. The earnings per share from continuing operations remained the same as the previous year at €0.52.

In December 2009, we divested our activities relating to operating an ambulatory surgery center in Andover, Massachusetts (USA). This transaction represented the sale of the last piece of real estate owned by the Group. In the future, we will be able to concentrate even more clearly on our higher-margin mobile services business. The effects on earnings from the ongoing operation of the outpatient clinic and its sale in 2009 are reported separately under „Gain/loss from discontinued operations“ in the Income Statement.

This item also includes material effects from the divestment of former equity investments in Europe. Due to the insolvency of a customer attributable to discontinued operations in Europe, we wrote off in full the receivables due from this customer and the medical equipment leased to this customer. Not including this non-recurring special effect, our consolidated net profit would have totaled €0.57 per share.

UMS AG's financing is rock solid. And, in fiscal 2009, our net worth and financial condition improved further. We used the additional increase in cash flow to pay down debt. Our net debt owed to banks and leasing companies now amounts to only €0.5 million. The UMS Group's equity also grew further.

Our stable business performance and excellent financial position enable us to pass on the bulk of our profit to our shareholders through share buybacks or payment of dividends. In fiscal 2009, we retired the treasury shares we acquired in our first share buyback program. Subsequently, we decided to run and began to implement a second share buyback program. The average number of shares outstanding therefore decreased further from around 5.9 million in the previous year to approximately 5.5 million in the 2009 fiscal year.

In recent months, many of our shareholders have requested that UMS AG distribute a portion of our profits as dividends. The Supervisory Board and Management Board have intensively discussed this issue and decided to approve this course of action, not least due to our excellent financial situation. For the first time, we will propose paying a dividend of €.30 per share at the shareholders' meeting on June 3, 2010. This will enable you, our valued shareholders, to benefit directly from the success of your Company.

In fiscal 2010, we anticipate the macroeconomic climate to improve slightly. In terms of healthcare, 2010 is, of course, a momentous year, especially in our key market, the United States. After considerable opposition, including from his own ranks, U.S. president Barack Obama was able to pass his controversial healthcare reform bill. We do not expect the reform to have any major effects on our business model or the performance of our Company, but we will closely monitor the further concrete steps taken and the incremental implementation of the reform in the coming years.

On the whole, we believe that the current fiscal year will bring stable, organic growth driven by both our established and our new services. Our goal is to increase revenues and earnings again in 2010. For the year as a whole, we expect revenues to amount to between €37 million and €40 million. Our earnings per share are therefore anticipated to total €0.55 to €0.65.

The positive performance of our Company in 2009 would not have been possible without the dedication of our employees and partners, who worked so diligently and have been so committed to the UMS Group over the years. I would especially like to thank our shareholders for their confidence in me during this time.

Sincerely,

Jorgen Madsen
Chairman of the UMS AG Management Board

Supervisory Board Report

In the 2009 fiscal year, the Supervisory Board of UMS United Medical Systems International AG once again performed with due care the supervisory and advisory duties assigned to it by law and under the articles and bylaws. We advised the Management Board regularly on the management of the Company and continually supervised and monitored its management activities. The Supervisory Board was involved in a timely manner and to the necessary degree in all significant Company decisions. Numerous topics and business transactions requiring approval were discussed and the corresponding decisions were made in the individual Supervisory Board meetings.

The members of the Supervisory Board in 2009 were Wolfgang Biedermann (Chairman of the Supervisory Board), Prof. Thomas J.C. Matzen (Vice Chairman of the Supervisory Board) and Dr. (hon.) Norbert Heske.

The Management Board delivered oral and written reports to the Supervisory Board that provided detailed information on a regular basis concerning all issues material to the Company and the Group, especially the Company's planned business policy and business and financial performance, the risk situation, and fundamental issues relating to corporate planning and strategy. During the year under review, we also focused our attention on risk management and compliance within the Group. Moreover, the Supervisory Board received information regularly about the course and effects of the economic crisis.

The Management Board coordinated the Company's strategic direction with us. The Management Board provided us with the necessary indicators required to assess the Company's business performance compared with both the budgeted amounts and the previous year's figures. Deviations from the planned and target figures were explained by the Management Board either verbally or in writing. The Management Board delivered its reports both as events required, as well as periodically according to the rules of procedure stipulated for the Management Board by the Supervisory Board.

We discussed in detail all of the Company's key business transactions based on the reports by the Management Board. To the extent necessary by law and under the articles and bylaws, the Supervisory Board voted on the reports and proposed resolutions by the Management Board after thorough review and consultation. Documents requiring a decision were forwarded to the members of the Supervisory Board sufficiently in advance of meetings and were carefully reviewed by them.

The Management Board and Supervisory Board held six joint meetings in fiscal 2009: on January 23, February 17, April 20, June 5, September 4, and December 7. During the period under review, no circumstances required meeting without the presence of the Management Board. Where necessary, the Supervisory Board also passed resolutions in writing outside of meetings.

As Supervisory Board Chairman, I also maintained regular contact with the Management Board outside of full Board meetings in order to inform myself about major developments and decisions and to provide support to the Management Board in an advisory capacity. Furthermore, I held separate discussions with the Management Board concerning material strategic and business policy issues affecting the Company.

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 or results of operations. The Management Board presented the transactions requiring approval to the Supervisory Board, which approved them after extensive review and consultation with the Management Board. Issues and measures of special significance included in particular the monitoring of potential changes in the regulatory environment in which the Group operates, the continuation of the Company’s presence in the outpatient clinic segment of the U.S. market, decisions regarding acquisitions to further expand the Urology and Gynecology segments, and the effects of the economic crisis on the Company’s business activities.

The Supervisory Board has not set up any committees. Because of the Company’s overall size and the size of the Supervisory Board, we do not regard the formation of committees as necessary for 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.

Issues discussed during meetings of the full Supervisory Board

All Supervisory Board meetings included a thorough discussion of the current situation and performance of the Company and its segments. We also talked about the continued development of the UMS Group's risk management system based on regular status reports by the Management Board. In several meetings, we deliberated about key acquisition projects in the United States. Finally, we discussed the process of evaluating the strategic options for the future structure of the Company on several occasions. All members of the Supervisory Board participated in all Supervisory Board meetings.

The Supervisory Board meeting on January 23, 2009 was devoted to going over the fiscal 2009 budget with the Management Board again. The main topic of our meeting on February 17, 2009 was passing a resolution approving the planning for the current fiscal year. Moreover, we also approved the acquisition of contracts and a certificate of need in the state of Michigan.

At the Supervisory Board meeting on April 20, 2009, our primary concern was the single-entity and consolidated financial statements for the year ended December 31, 2008. After extensive review, the Supervisory Board unanimously approved the single-entity financial statements prepared in accordance with the German Commercial Code (HGB) and the consolidated financial statements prepared in accordance with International Financial Reporting Standards (IFRSs) for the year ended December 31, 2008. At this meeting, we also approved the agenda for the 2009 shareholders' meeting and discussed the engagement of the auditor appointed by the shareholders' meeting and the main points of the audit. We agreed with the auditor that the Supervisory Board Chairman would be notified immediately about any possible grounds for disqualification or partiality occurring during the audit, unless such grounds were eliminated immediately. Moreover, we agreed with the auditor that the Supervisory Board Chairman would be informed immediately about all findings and situations material to the responsibilities of the Supervisory Board arising during performance of the audit, and that the auditor would also notify the Supervisory Board Chairman in the event that circumstances were discovered during performance of the audit that would indicate the incorrect-ness of the declaration of conformity issued by the Management Board and Supervisory Board.

Immediately after the shareholders' meeting on June 5, 2009, the Supervisory Board mainly approved continuation of the UMS AG share buyback program based on the resolution to buy back shares previously passed by the shareholders' meeting after considerable discussion of the matter.

The meeting on September 4, 2009 was devoted mainly to the planned retirement of the UMS AG treasury shares acquired. Based on a report by the Management Board, we also conferred extensively about the development of the share of our consolidated profit attributable to third parties.

The results for the first nine months of fiscal 2009, the forecast for 2009 and the business plan for fiscal 2010 were the focus of discussion at the Supervisory Board meeting on December 7, 2009. The joint declaration of conformity by the Management Board and Supervisory Board required by §161 of the German Stock Corporation Act (AktG) was also drafted, discussed and approved. Furthermore, we also approved the Management Board's proposed resolution to sell a business unit in the United States. In this meeting, we additionally deliberated the appropriateness of the Management Board's compensation structure against the backdrop of the entry into force of the Act on the Appropriateness of Management Board Compensation (VorstAG) and came to the conclusion that there was no need for adjustment at the present time.

Furthermore, the Supervisory Board regularly communicated with the Management Board outside of Supervisory Board meetings about current business developments, the Company's interim reports and important transactions, and advised the Management Board on and reviewed the Management Board's resolutions. Where required for practical reasons, resolutions were passed in writing in consultation with the Supervisory Board Chairman. For instance, approval was issued after a written vote by the Supervisory Board for the acquisition of a competitor in California and the retirement of treasury shares in a simplified procedure without a capital decrease.

In view of the requirements of the German Corporate Governance Code, the Supervisory Board also regularly reviewed the efficiency of its own operations, and discussed and resolved ways to optimize its activities. No conflicts of interest arose on the part of Supervisory Board members during the reporting year.

Corporate Governance Code

The Supervisory Board regularly discussed the application of corporates governance principles. Furthermore, on December 7, 2009, 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.

Audit of the single-entity and consolidated financial statements

The single-entity (HGB) and consolidated (IFRSs) financial statements for the fiscal year ended December 31, 2009, as well as the combined Company and Group management report for fiscal 2009 were prepared by the Management Board of the Company and audited by the Hamburg office of Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft. The auditors gave the single-entity and consolidated financial statements and the combined management report their unqualified opinion. The financial statement auditor conducted the audit in accordance with German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). The audit focused mainly on the initial and subsequent measurement of intangible assets, accounting for corporate transactions, and the treatment 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 19, 2010. All Supervisory Board members received the annual financial statement documents along with the combined management report, the audit reports, the Management Board's proposal for the 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 19, 2010. The Company's financial statement auditors also attended this meeting and reported on the material results of their audit and on the fact that no material weaknesses were discovered in the internal control system or risk management system. The financial statement auditors were available to answer additional questions, provide further information and elaborate on the scope and focus of their audit of the financial statements.

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 the 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 the combined Company and Group management report and the Management Board's proposal for the use of the distributable profit, concurred with the results of the auditors' audit of the single-entity and consolidated financial statements as well as the 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 19, 2010, 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 (§172 sentence 1 of the German Stock Corporation Act (AktG)).

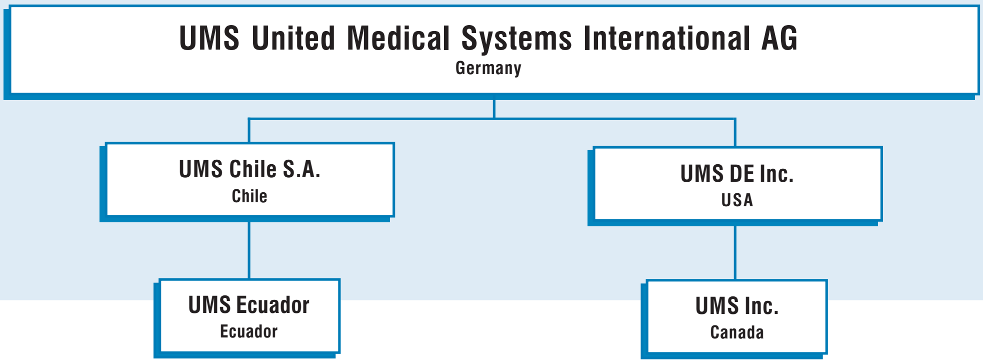
The Management Board proposes paying a dividend of €0.30 per share and carrying the remaining distributable profit forward to new account. We concurred with the Management Board's proposal for the use of the distributable profit after our own review and after considering all arguments.

The Supervisory Board thanks and expresses its appreciation to the Management Board and all employees for their personal dedication and hard work.

Hamburg, April 19, 2010

Wolfgang Biedermann
Chairman of the Supervisory Board

UMS Group Structure



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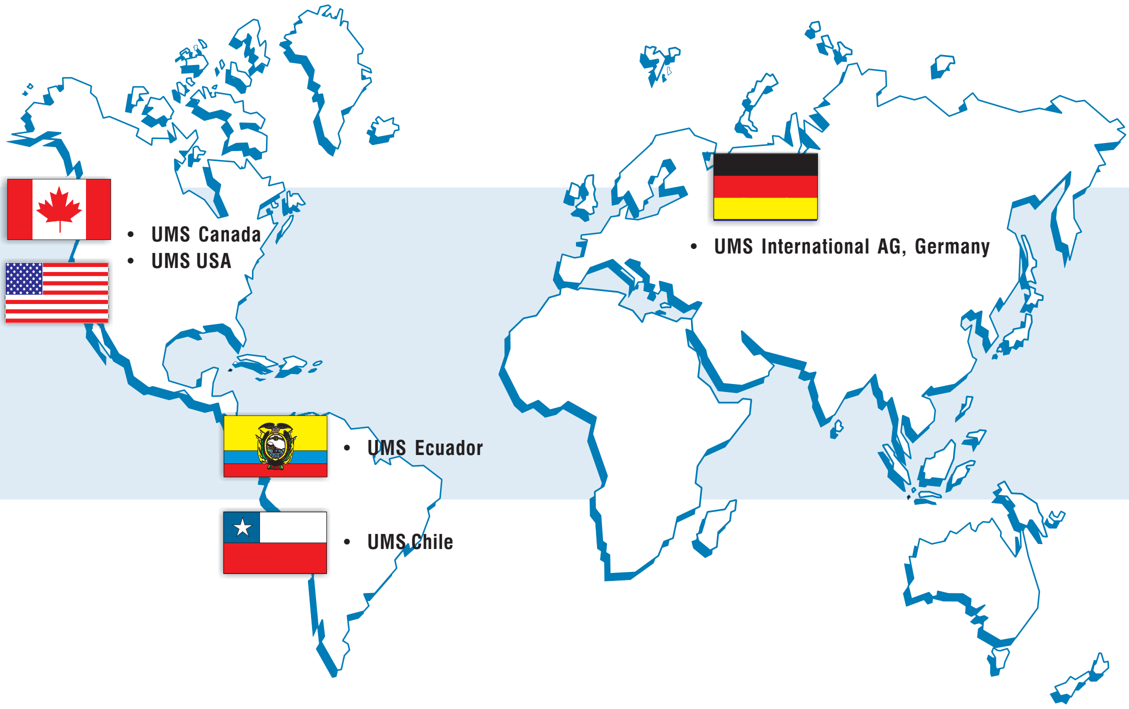
Development of the UMS Group



1996 – 1999

- 1996: Formation of UMS holding, international expansion
- 1997/99: Setting up of business in the U.S., U.K. and the Netherlands

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

- 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 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.

2004

- assumes full control of PET Scans of America Corp.
- 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 North-eastern U.S.
- Market introduction of urological laser treatment in Chile

2008

- Market introduction of mobile Brachy Therapy in the USA
- Market introduction of urological laser treatment in Ecuador

2009

- UMS divests its interets in thes Andovers Surgery Center, Massachusetts, USA
- Expansion in the South-West of the USA
- New ultrasound guided biopsy service

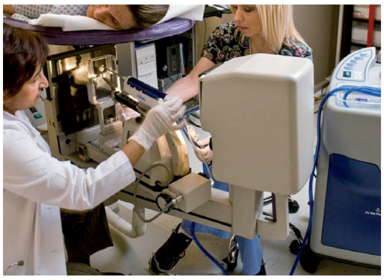
UMS – A Turnkey Service Concept

We offer a comprehensive service concept in select medical fields. We provide our customers, who comprise hospitals and physicians, with state-of-the-art medical equipment by the day as well as the highly skilled technicians to help operate it.

Our mobile service solutions are currently available for six treatment areas.

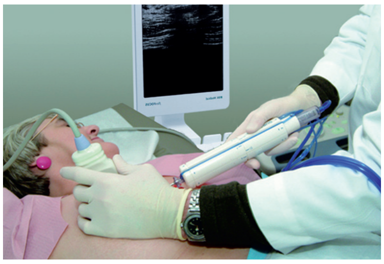
Lithotripsie (ESWL)

The UMS Group's largest treatment area is mobile lithotripsy. Lithotripsy is a procedure involving the use of shock waves to break up kidney stones and ureter stones. The specially trained application teams of UMS not only take care of transporting and setting up the medical systems. They also work directly with the treating physicians to ensure safe operation for patients.



Breast Biopsy

UMS is the clear market leader in the provision of transportable breast biopsy services to the North American market. Mobile deployment of stereotactic vacuum breast biopsy systems has been a fixture of our service offering for many years. Stereotactic vacuum breast biopsy is a minimally invasive diagnostic procedure that facilitates the effective and delicate removal of tissue samples. Here, too, UMS provides not only the equipment, but also the full range of disposable items needed for the procedure as well as highly trained medical technicians.



Ultrasound-guided Breast Biopsy

In late 2009, UMS expanded its services in the area of breast biopsy. A compact mobile solution now offers the alternative of localizing the biopsy using an ultrasound probe. For deployment of this state-of-the-art technique, UMS places registered sonographers at its customers' disposal.

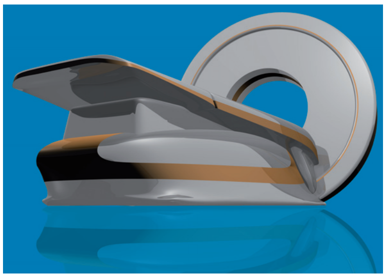
With UMS solutions, our customers can offer their patients treatment with state-of-the-art medical technology, while realizing cost savings through the demand-driven deployment of the systems at various hospitals and physicians' offices. The equipment is loaded into suitable vehicles and then transported along fixed service routes to the various locations, where it is set up, used and then moved to the next site. Our compensation is based on fixed daily and usage rates that are agreed to by contract.

Brachytherapie

Brachytherapy is a minimally invasive method for the treatment of prostate cancer. Ambulatory surgery centers make up the largest customer group for this mobile service. In addition to providing customers with leading-edge technology and specialized technicians, UMS guarantees full compliance with all radiation protection standards.

Laser

The use of urological lasers for the treatment of benign prostate enlargement has been part of the UMS Group's portfolio since 2004. The cornerstones of this minimally invasive technique are its high degree of success and minimal side effects, which make it a real alternative to surgery.



MRI

UMS offers mobile magnetic resonance imaging, with service currently limited to the U.S. state of Michigan. Using magnetic fields, MRI systems make it possible to create images of the human body for diagnostic purposes. As in all other treatment areas, the expertise of UMS's technicians ensure our customers receive optimal quality at a cost that is based solely on usage.

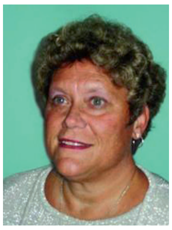
A Doctor‘s Perspective

“We have used UMS for a number of years because they provide state-of-the-art equipment and treatment options for our kidney stone patients. Additionally, they provide highly trained, experienced technologists needed to maximize our success rates in the treatment of stone disease.“

Stephen E. Tosi, M.D., F.A.C.S.

Chief Medical Officer
UMass Memorial Health Care
Assistant Professor of Urology
University of Massachusetts
Medical School

“Having UMS for our stereotactic biopsy cases allows our patients access to the latest technology and best equipment for these procedures. Just as important are the UMS technologists who provide top-notch service and support. Our community hospital could not provide this quality of service on our own as we do not do enough of these procedures. Thanks to UMS and their great staff.“



Deborah A. Geer, M.D., F.A.C.S.

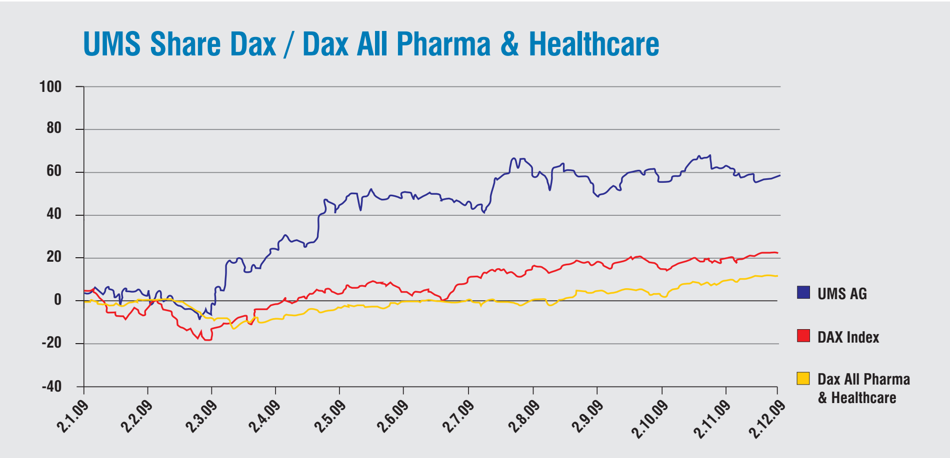
Fellow, American Society of
Breast Surgeons
Auburn Memorial Hospital

UMS

The UMS Share

World stock markets rebounded in 2009, after suffering a steep decline in the previous year. To be sure, there was a deep sell-off in March, but afterwards a steady recovery took hold. The sweeping stimulus packages passed by governments to counter the severe economic slump triggered by the Lehman insolvency and relaxed monetary policy adopted by central banks finally started to make a difference in the real economy. Germany's leading index, the DAX, gained 23.8% compared to the previous year. Secondary indices, which sustained heavy losses in 2009, enjoyed considerable gains: the TecDAX technology index surged 60.8% percent, while the SDAX small-cap index grew 26.7%. Pharmaceutical and healthcare stocks also improved. The DAXsector All Pharma & Healthcare Index, on which UMS is also listed, rose 15.8% for the year.

Up 73.1%, UMS stock traded sharply higher in 2009 and clearly outperformed these benchmark indices. After closing 2008 at €3.31, it dipped to its low for the year of €2.71 on March 3, 2009. Then, the share price rose substantially in spring and summer, climbing to its year-high of €6.63 on August 14. UMS stock ended 2009 at €5.73.



The shares of UMS International AG are listed in the Prime Standard segment of Deutsche Börse AG. The following security identification numbers and abbreviations have been assigned: WKN 549365, ISIN DE0005493654, Bloomberg: UMS GR, Reuters: UMSG.DE. The average trading volume on all German exchanges amounted to 10,600 shares per day in 2009. Once again, the majority of this volume, at an average of 8,553 shares per day, was handled via the XETRA electronic trading system. The Hamburg-based investment bank M.M. Warburg & Co. serves as designated sponsor and works to ensure the necessary liquidity for the shares on the electronic trading platform by quoting binding bid and offer prices.

The shareholders of UMS International AG approved all agenda items at the annual meeting held on June 5, 2009 with over 91% of the votes. They also renewed the authorization for the Company to buy back its own shares. In September 2009, the Management Board and Supervisory Board of UMS decided to retire all 601,626 Company shares that had been purchased through August, without decreasing the share capital. The retirement of the shares, which became effective October 7, 2009, did not change the amount of the Company's share capital, which still stands at €6,016,262. However, this share capital is now divided into 5,414,635 no-par-value shares with a theoretical par value of €1.11 per share.

Based on the new number of shares, UMS had a market capitalization of €31.0 million at the end of 2009. At year-end 2008, the market cap was €19.9 million.

The Management Board of UMS AG resolved on October 9, 2009 to carry out a second share buy-back program, this one beginning October 12, 2009 and ending no later than November 30, 2010. The purpose of the new share buy-back is also to retire shares, with the commensurate positive effect on the earnings per share. Regular updates concerning the progress of the buy-back program will be published on our website at www.umsag.com.

UMS purchased 406,377 of its own shares in fiscal 2009. Of these, 260,160 shares, which have since been retired, were purchased under the first buy-back program, with 146,217 purchased under the second buy-back program. UMS AG holds treasury shares because of these repurchases. The shareholder structure at December 31, 2009 was as follows:

Shareholder Structure at December 31, 2009

Thomas J.C. Matzen GmbH	18.8%
Management Board	6.4%
Supervisory Board	10.5%
UMS AG	2.6%
Union Investment Privatfonds	4.2%
Free float	57.5%

UMS AG practices open and transparent communication with the capital market. The Company continued its dialogue with investors and financial journalists at roadshows in 2009 and, like the year before, participated in Deutsche Börse AG's German Equity Forum in November. Leading financial media outlets gave the UMS share positive reviews on several occasions in 2009. In addition, numerous analysts follow UMS. The experts at SES Research, for example, issued repeat buy recommendations on UMS in recent months, most recently with a price target of €7.90 per share.

Detailed information about the UMS share can be found on the Internet at www.umsag.com. This also includes the current joint declaration of conformity 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 €)	2009	2008	2007
Stock exchange price (XETRA closing prices)			
- High	6.63	4.80	11.80
- Low	3.31	2.31	4.07
Fiscal year end	5.73	3.31	4.47
Number of shares (fiscal year end, in millions)	5.415	6.016	6.016
Market capitalization (Fiscal year end in million €)	31.0	19.9	26.9
Earnings per share (in €)	0.48	0.52	0.41

How to contact the investor relations team

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Management and Supervisory Board

Management Board

Jørgen Madsen (CEO)

Chief Executive Officer, Mechanical Engineer,
Bolton, USA

Supervisory Board

Wolfgang Biedermann

Deputy Chairman,
MBA, Hamburg

Dr. h.c. Norbert Heske

Engineer,
Kottgeisering

Prof. Thomas J. C. Matzen

Chairman,
MBA, Hamburg

Combined Management Report and Group Management Report of UMS United Medical Systems AG for Fiscal Year 2009

1. Business and General Conditions

Growth despite crisis in 2009

Thanks to a stable business model largely independent of economic cycles, the UMS Group's business performance was positive, even in the recession year of 2009. Consolidated revenue improved once again compared with the previous year. Although, the profit attributable to equity holders of the parent totaled €2.6 million, which was around €0.5 million less than in 2008, this was chiefly due to a non-recurring extraordinary item relating to the winding up of former business activities in Europe.

UMS is a pioneer in mobile medical services in specialized segments of the medical market. A key element of all the Group's services is providing customers with a top-quality end-to-end solution. Existing and new service concepts and the focus on therapeutic applications, particularly in the medical specialties of urology and gynecology, are the foundation for the Company's success, even in economically difficult times.

Deep economic slump

In 2009, the global economy experienced the deepest recession since the end of World War II, lasting well into the year. The international financial crisis caused the economies of the industrialized countries to crash nearly simultaneously. In the United States in particular, a deep economic slump was in evidence as early as fall 2008. The U.S. economy shrank by 2.4% for 2009 as a whole despite a surprisingly strong growth surge in the fourth quarter.

Demand for medical technologies grows further

In some regions and segments, the medical technology market is suffering from the consequences of the economic crisis. Nonetheless, stable macroeconomic trends will ensure disproportionate growth in the industry in the medium and long term.

This development is especially evident in the U.S. healthcare segment, which is the UMS Group's key market. In 2009, healthcare expenditures in the United States rose by an estimated 5.7% despite an overall downturn in economic performance. The healthcare sector accounted for a share of the U.S. gross domestic product of around 17.3% in 2009; in 2008, this figure was 16.2%.

The United States leads the industrialized nations in per-capita expenditure on healthcare services at an approximately USD 8,000 per person (in 2009). The Centers for Medicare and Medicaid Services (CMS) forecast an increase in this figure to about USD 13,000 by 2019.

Healthcare market in North and South America offers opportunities

The healthcare market in the United States therefore remains an especially dynamic sector of the economy. Demographic change, continued population growth, and the aimed-for expansion of health insurance coverage are all factors that point to growth in the long term. The demand will center increasingly on high-quality products and services.

Chile is expected to significantly expand its healthcare infrastructure by 2014 with demand for high-quality services rising considerably in both the public-sector and private-sector healthcare segments. The situation is similar in other South American countries as well. For instance, Peru's government instituted mandatory general health insurance coverage, a step that will lead to a substantial increase in medical services.

The UMS Group does business in selected sectors of these dynamic markets. Subsidiaries operating in these countries offer mobile services that combine quality and cost efficiency. The UMS companies are therefore clearly profiting from the specific growth opportunities in each individual region.

2. Earnings Position of the Group and Segments

Summary

Fortunately, the global recession had little adverse effect on the UMS Group's business in the year under review. We again closed out the 2009 fiscal year with a profit, and earnings per share from continuing operations were €0.52, as in the prior year.

The result from discontinued operations totaled €-0.04 per share in the reporting year. This includes the result from a divested business unit in the United States. The Management Board and Supervisory Board focused the UMS Group's activities even more clearly on the mobile service business in the past year. During divestiture of the Company's activities associated with operating an outpatient clinic in the United States, the last remaining property owned by the Group was sold. Moreover, the past fiscal year saw losses from the winding up of legacy activities in Europe attributable to discontinued operations.

In fiscal 2009, our share price performance was positive. At the same time, the Management Board and Supervisory Board still consider UMS's shares to be somewhat underpriced. Since we also have a strong balance sheet, we decided in October 2009 to launch a second stock buyback program and to continue buying back the Company's shares.

Revenue growth of 4% in the core segments

In the 2009 reporting year, the UMS Group's revenue totaled €35.7 million after amounting to €33.6 million in the previous year. However, the revenue trend reported in the consolidated financial statements was influenced by the development of the USD exchange rate. In 2009, the euro was worth $1.40 on average, compared with $1.46 in the previous year.

After currency adjustments, i.e., after restatement of prior-year figures based on the average exchange rate of the reporting year, revenue grew by €0.7 million, or 2% overall. Growth in the core segments of Urology and Gynecology was €1.2 million, or 4%.

In the following comparison of the 2009 and 2008 fiscal years, currency effects were eliminated by adjusting the prior-year figures for purposes of improved comparability.

	2009 in k€	2008 in k€ *	*2008 in k€*	Change absolute *	Change in % *
Urology	24,054	23,220	*22,264*	834	4
Gynecology	10,271	9,856	*9,430*	415	4
All other segment	1,439	1,601	*1,518*	-162	-10
Reconciliation to the Group	-61	358	*358*	-419	-
Revenue	**35,703**	**35,035**	***33,570***	**668**	**2**

*After currency adjustments (prior-year figures restated based on the average USD exchange rate in 2009).

Urology: growth in lithotripsy, decline in laser treatments

After currency effects, consolidated revenue in the Urology segment rose by nearly 4% from €23.2 million in the previous year to €24.1 million.

By far the most important service offered by the UMS Group is the ultrasound technology used to break up kidney stones, which is attributable to the Urology segment. The number of kidney stone treatments performed by UMS in the United States grew from around 26,400 in 2008 to almost 27,400 in fiscal year 2009. At the same time, higher revenues per treatment bolstered the encouraging revenue trend in this area.

The UMS Group's Urology segment also includes the mobile deployment of urological lasers for the treatment of benign prostate enlargement. The number of treatments in this segment decreased again compared with the prior year. Correspondingly, we further reduced our laser therapy capacity, while at the same time positioning an innovative treatment option, the Biolitec EVOLVE® Laser System, on the market.

Range of gynecology services increased substantially

Currently, the UMS Group's Gynecology segment consists exclusively of the mobile stereotactic breast biopsy service in the United States. In addition to the medical service, UMS also sells the vacuum needles required to carry out this minimally invasive procedure.

Revenue after currency adjustments in this segment also grew by approximately 4%, reaching €10.3 million (2008: €9.8 million).

The Group's stepped-up activities in the Western United States also contributed to this development. In August 2009, we acquired customer contracts and two pieces of medical equipment from a regional competitor in the state of California.

We have additionally been offering our customers an alternative imaging procedure for breast biopsies since the end of 2009, which involves using a flexible ultrasound scanner to localize the tissue. This method is particularly attractive to physicians who wish to offer breast biopsies in their practices, giving UMS the opportunity to reach new customer groups.

Other segments: fewer machines, sharp improvement in capacity utilization

Our other segments mainly comprise our radiology and oncology services. The key factor driving performance in these segments was the reduction of our MRT scanner capacity in the United States.
One mobile MRT unit was sold at the end of 2008; two machines were still in use during the reporting year. Chiefly due to this reduction in capacity, revenue after currency adjustments dropped by 10% from €1.6 million in the previous year to €1.4 million in 2009. However, the capacity utilization of the equipment fleet increased sharply as the result of this decline in capacity.

Cost efficiency improves gross margin

After currency adjustments, gross profit amounted to €17.9 million, up around €0.9 million from the previous year's figure. The gross margin therefore rose by two percentage points to a satisfactory 50%.

In addition to better utilization of our equipment capacity, particularly in mobile radiology, measures aimed at improving our Company's cost structures also drove this development. For example, our U.S. subsidiary completely overhauled and upgraded the system technology used in stereotactic breast biopsies in cooperation with manufacturer Hologic. This step already produced lower equipment servicing and maintenance costs in the reporting year.

	Income Statement 2009 in k €	Income Statement 2008 in k € *	*Income Statement 2008 in k€*	Change absolute in k € *	Change in % in k € *
Revenue	35,703	35,035	*33,570*	668	2
Cost of sales	-17,791	-18,048	*-17,277*	257	1
Gross profit from revenue	**17,912**	**16,987**	***16,293***	**925**	**5**
Gross margin	50%	48%	*48%*		

* After currency adjustments (prior-year figures restated based on the average USD exchange rate in 2009).

Adjusted for currency effects, selling expenses were up by 9%, or roughly €0.2 million, over the prior-year figure. This was largely due to revenue, but also reflects the additional selling expenses for new services brought to market in 2009.

Administrative expenses after currency adjustments grew slightly by just under €0.1 million. This was mainly due to an increase in legal and consulting fees arising in conjunction with corporate transactions in the United States and changes in the laws pertaining to listed companies in Germany.

Other operating income and expenses were cut by more than half to €0.14 million. In the previous year, the main item reported here was the gain from the sale of an MRT scanner in the United States, which was no longer included in the reporting year.

Operating earnings before interest and taxes (EBIT), after currency adjustments, rose disproportionately to revenue by 4% to €11.5 million compared with €11.1 million in the 2008 fiscal year.

	Income Statement 2009 in k €	Income Statement 2008 in k € *	*Income Statement 2008 in k€*	Change absolute in k € *	Change in % in k € *
Gross profit from revenue	**17,912**	**16,987**	***16,293***	**925**	**5**
Selling expenses	-2,432	-2,236	*-2,130*	-196	9
General administrative expenses	-4,078	-4,007	*-3,845*	-71	2
Other operating income and expenses, net	141	374	*375*	-233	-62
Operating result (EBIT)	**11,543**	**11,118**	***10,693***	**425**	**4**
As a percentage of revenue	32%	32%	*32%*		

* After currency adjustments (prior-year figures restated based on the average USD exchange rate in 2009).

The net interest expense item improved again in the past fiscal year due to a further significant reduction in the UMS Group's liabilities and the lower costs associated with the U.S. subsidiary's floating rate loans. The Group's net interest expense declined accordingly by €0.3 million, or 40%, after currency adjustments.

The tax expense reported for the year under review rose slightly in line with profit from € 1.9 million to €2.0 million. Before minority interest, the UMS Group's earnings rose by a total of €0.5 million. After amounting to €8.5 million after currency adjustments in the previous year, profit from continuing operations totaled €9.0 million in the past fiscal year.

	Income Statement 2009 in k €	*Income Statement* 2008 in k € *	Change *2008 in T€*	Change absolute in k € *	in % in k € *
Operating result (EBIT)	**11,543**	**11,118**	***10,693***	**425**	**4**
Interest income and expenses	-409	-682	*-655*	273	-40
Earnings before taxes and minority interests	**11,134**	**10,436**	***10,038***	**698**	**7**
Other taxes	-91	-68	*-68*	-23	34
Income taxes	-2,029	-1,890	*-1,809*	-139	7
Profit from continuing operations	**9,014**	**8,478**	***8,161***	**536**	**6**

* After currency adjustments (prior-year figures restated based on the average USD exchange rate in 2009).

In December 2009, the UMS Group divested itself of activities relating to operating an outpatient clinic in Andover, Massachusetts (USA). However, UMS will continue to provide a number of medical services to Andover Surgical Center in the future.

This transaction represented the sale of the last piece of real estate owned by the Group. In the future, we will be able to concentrate even more clearly on our higher-margin mobile services business.

The effects on earnings from the ongoing operation of the outpatient clinic and its sale in 2009 are reported separately under „Profit/loss from discontinued operations“ in the Income Statement.

This item also includes material effects from the divestment of former equity investments in Europe. Due to the insolvency of a customer attributable to discontinued operations in Europe, we wrote off in full the receivables due from this customer and the medical equipment leased to this customer.

Net profit from discontinued operations was €0.5 million, much higher than the previous year’s €0.1 million.

The consolidated profit for the year for all divisions therefore totaled €9.5 million (2008: €8.5 million after currency adjustments).

The sale of the outpatient clinic affected the amount of profit attributable to minority interests. In 2009, the physicians holding an interest in the center received a one-time payment of around €0.5 million from the proceeds of the sale. Moreover, the growth in the Urology segment in the United States goes hand-in-hand with the further expansion of physician partnerships. In addition to the Group’s stake in these companies, UMS generates additional income from signing management agreements and receiving compensation for our medical technology services. The participating physicians receive regular profit distributions from their interests amounting to €6.9 million in 2009 (2008: €5.4 million after currency adjustments). This amount includes the aforementioned extraordinary item stemming from the sale of an outpatient clinic totaling €0.5 million.

Profit of €2.6 million was therefore attributable to the equity holders of the parent in 2009 compared with €3.2 million after currency adjustments in 2008.

	Income Statement 2009 in k €	Income Statement 2008 in k € *	*Income Statement 2008 in T€*	Change absolute in k € *	Change in % in k € *
Profit from continuing operations	**9,014**	**8,478**	***8,161***	**536**	**6**
Profit/loss from discontinued operations	490	92	*89*	398	-
Consolidated profit for the year	**9,504**	**8,570**	***8,250***	**934**	**17**
of which minority interests	6,884	5,409	*5,182*	1,475	27
- of which from discontinued operations	683	87	*84*	596	-
of which attributable equity holders of the parent	2,620	3,161	*3,067*	-541	-17

* After currency adjustments (prior-year figures restated based on the average USD exchange rate in 2008).

During the reporting year, the Management Board and Supervisory Board of the UMS Group retired treasury shares acquired as part of the Company's first stock buyback program. Immediately afterward, we decided to launch and began to implement a second stock buyback program. The average number of outstanding shares therefore declined further from approximately 5.9 million to around 5.5 million.

Despite the decline in comprehensive income, earnings per share from continuing operations amounted to €0.52, as in the prior year. We have calculated earnings per share of €0.48 (2008: €0.54 after currency adjustments) for the Group as a whole, i.e., including the profit attributable to discontinued operations.

	Income Statement 2009	Income Statement 2008 *	*Income Statement 2008*	Change absolute *	Change in % *
Profit attributable to equity holders of the parent in k €	**2,813**	**3,161**	***3,067***	**-348**	**-11**
Avg. no. of shares outstanding (in thousands)	**5,476**	**5,860**	***5,860***	**384**	**-7**
Earnings per share from continuing operations in euros	0.52	0.54	*0.52*	-0.02	-4
Earnings per share in euros	0.48	0.54	*0.52*	-0.06	-11

* After currency adjustments (prior-year figures restated based on the average USD exchange rate in 2009).

3. Financial Condition

Our net worth and financial condition improved again noticeably in the year under review. Our net debt owed to banks and leasing companies now amounts to only €0.5 million. In the previous year, this figure was €2.2 million. The UMS Group's equity again grew disproportionately in relation to total assets. Our cash flow is also well over the previous year's, partly due to certain transactions.

Analysis of balance sheet structure

When comparing the balance sheets for the years ended December 31, 2009 and December 31, 2008, it must be noted that these also reflect the performance of the EUR/USD exchange rate. The EUR/USD exchange rate prevailing on the balance sheet date rose from $1.40 per euro on December 31, 2008 to $1.44 per euro on December 31, 2009.

On the whole, total assets rose slightly over December 31, 2008 by €0.2 million to €31.7 million. After currency adjustments, the increase was approximately €1.1 million.

At the 2009 balance sheet date, current assets reported were €12.9 million, almost unchanged from the prior-year figure of €12.8 million. However, the increase was only around €0.5 million after currency adjustments. This was mainly due to a significantly improved cash position.

The non-current assets reported also rose somewhat from €18.7 million in 2008 to €18.8 million. Taking into account currency adjustments, this increase only totals €0.7 million. The property, plant and equipment and intangible assets acquired as part of corporate transactions in Michigan and California more than offset the effect from the sale of the assets of an outpatient clinic and the write-down of assets.

Goodwill remained unchanged at less than €0.1 million at December 31, 2009.

The liabilities of UMS AG are denominated primarily in USD. Current and non-current liabilities reported declined significantly by €1.5 million. This decrease includes an exchange-rate effect of €0.3 million. The substantial reduction in liabilities resulted from the scheduled repayment of debt as well as the elimination of a mortgage in conjunction with the sale of the mortgaged property.

As of December 31, 2009, equity amounted to €21.2 million compared with €19.6 million at the end of the prior year. An increase in the net income for the period generated in the fiscal year in the amount of €8.7 million stood in contrast to distributions to physician partnerships (€4.9 million) and payments for the acquisition of treasury shares (€2.1 million). The equity ratio again improved substantially to 67% (2008: 62%).

Analysis of the cash flow statement

Inflows of funds amounting to €13.7 million were generated from operating activities in the year under review (2008: €9.4 million). Net cash from operating activities therefore grew by €4.3 million compared with the previous year. This was mainly due to improved working capital management, changes in due dates for tax payments, and the Company's improved earnings.

Net cash used in investing activities totaled €1.1 million compared with €0.6 million in the prior year. Whereas no acquisitions were made in the previous year, in the reporting year, our U.S. subsidiary acquired contracts, medical equipment and a certificate of need from competitors in California and Michigan. At the same time, the sale of an outpatient clinic enabled UMS to generate a significantly higher amount of net cash from the sale of property, plant and equipment than in the prior year.

Net cash used in financing activities amounted to a total of €10.8 million in the year under review. The negative cash flow from financing activities therefore increased by €2.2 million over the prior year. The main reasons for this were the early repayment of a mortgage loan due to the sale of the mortgaged property.

Taking into account exchange-rate effects, our overall cash flow saw a considerable year-over-year improvement in 2009, increasing by €1.7 million. Cash and cash equivalents at the end of the year amounted to €5.3 million after totaling €3.6 million as of December 31, 2008.

4. Employees

Number of employees

Due to business expansion, the total number of employees as of the reporting date rose from 215 to 225 (as of December 31 in each case). As in the previous year, two employees are in Europe. Eighteen persons (2008: 17 employees) were employed in the discontinued business units.

Compensation systems

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

The annual compensation of the Management Board is composed of fixed and variable components. It is based on §87 of the Stock Corporation Act (AktG), 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 premiums as well as a company car. In addition, their work-related expenses are reimbursed.

The service agreements with the Board members do not include any severance payment clauses for the event of an early termination of the employment relationship. There are no separate pension obligations and no stock options.

5. 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 2009 fiscal year included follow-up activities in connection with the winding up or liquidation of subsidiaries whose operations were sold and performance of the stock buy-back program.

Earnings position of UMS AG

In the 2009 fiscal year, UMS International AG generated approximately €0.5 million (2008: €0.8 million) in revenue from management charges, and €0.1 million (2008: €0.3 million) from leasing of medical systems. The Company also earned income from the sale of medical technology equipment to subsidiaries amounting to €0.7 million (2008: €0.9 million). The increase in revenue from equipment sales was due to demand for a higher number of machines.
Revenue totaling €1.3 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 of €0.7 million were slightly below the prior-year figure of €0.7 million. The net other operating income and expenses item amounted to €-0.5 million (2008: €-4k). Whereas in the previous year this item mainly comprised the costs associated with the special analyses completed in 2008, in the reporting year, this figure chiefly included expenses relating to the insolvency of a customer.

Income from equity holdings largely generated from dividend distributions by the U.S. subsidiary amounted to €2.9 million after €2.4 million in the previous year.

The financial result of UMS AG, i.e., the difference between interest payments and interest income, were up from €-19k in 2008 to €-27k in 2009. The adverse performance of the interest rate swaps held by UMS AG were the main factor driving this development.

Overall earnings from ordinary business activities therefore totaled €2.2 million (2008: €2.4 million). The year-over-year decline resulted mainly from fewer internal equipment sales and a reduction in the external equipment leasing business.

In the previous year, a refund of the withholding tax paid on the dividend from the U.S. subsidiary resulted in tax income of €0.1 million for UMS. This extraordinary effect did not recur during the reporting year. As a result, the Company's profit for the year amounted to €2.2 million. In the previous year, this figure was €2.5 million.

Distributable profit and dividend

Based on §21 of the articles and bylaws of UMS AG, the Management Board resolved to allocate 50% of the profit for the year of UMS AG for fiscal 2009, nearly €1.1 million, to other earnings reserves, as in the previous year. The acquisition of treasury shares during the year under review was offset with some of these earnings reserves.

UMS AG's distributable profit totals €3.2 million. The Management Board of UMS AG proposes to the Supervisory Board and the shareholders' meeting to pay a dividend of €0.30 per share - total of €1.6 million - and to carry the remaining amount forward to new account. If the number of shares carrying dividend rights should change before the date of the shareholders' meeting, the proposal on the utilization of distributable profit will be amended accordingly.

Financing and securing liquidity

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

6. Risk Report

Our risk management system ensures the continued existence of the UMS Group by suitably identifying, analyzing and managing individual risks. All risks during the year under review were limited and manageable. The continued existence of the Company is ensured for the future as well.

Proven risk management organization

With its transnational focus as a service provider in the increasingly complex healthcare 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. This means that risk management is an ongoing task and therefore an important tool for managing the UMS Group.

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 UMS Group has documented its risk management structures in a „Group Risk Management“ manual. Regular controls, including with assistance by third parties, are performed to assess compliance with these rules. In addition, the risk manual is updated continually on behalf of the Management Board and Supervisory Board and adapted in each case to the current circumstances.

Minimizing financial risks

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.

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 ***earning 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 by the U.S. subsidiary 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.

Focus on operational risks

Operating risks include market risk, regulatory risk, human resources risk, procurement risk, supply risk, and operational risk. Responsible management of these risks involves the regular, structured collection, analysis and evaluation of all relevant data and information and, in particular, regular monitoring and planning processes.

The Company seeks to detect ***market changes*** and trends early on by carrying out market research, visiting trade fairs and having qualified members of UMS's sales and technical teams visit customers on a regular basis. To the extent possible, UMS activities are guaranteed 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.

As a healthcare services provider, the ***regulatory environment*** in the markets in which we do business is particularly important for the UMS Group. Consequently, we closely monitor changes in regulatory processes, such as the progress of healthcare reform in the United States. At this time, we anticipate that this reform will provide easier access to physicians' services, and therefore to the services offered by UMS, for a majority of the 50 million people who are currently uninsured.

With the support of external industry organizations, the reimbursement rules of leading insurers are also monitored continually. The primary focus here is on U.S. government healthcare programs – Medicare and Medicaid – which often function as a reference for many private insurance companies. Announced changes to the rules are analyzed by UMS early on so that adjustments can be made, if necessary, to billing for services or structures under corporate law, for example. We aim to reduce any additional liabilities that may be planned through the close professional contact maintained by our industry associations with the institutions that shape the general legal environment.

Attracting, retaining and motivating qualified ***employees*** is a key success factor for UMS. We secure human resources planning for the long term through attractive compensation models with variable components, among other things, and regularly offer our employees training and continuing education opportunities.

The ***procurement*** of systems, technical accessories and spare parts, the maintenance and servicing of devices, and regular training for UMS technicians are guaranteed through long-term general agreements and cooperation 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 processes.

Risks of future macroeconomic developments

A risk management system tailored to the specific situation of the UMS Group cannot operate in isolation from macroeconomic developments. For this reason, we very carefully monitor general economic developments, particularly in North and South America.

According to current assessments, the global economy is expected to stabilize gradually. After global GDP fell by 1.4% in 2009, we anticipate only minimal growth in 2010. A special characteristic of healthcare markets is that the effect of the general economic situation is overshadowed by other demand drivers. For this reason, we believe that growth will be continual in the segments relevant to our Company, thereby limiting the risks to which the UMS Group is exposed.

Company's continued existence secured

After reviewing all risks, the Company determined that there were none in the 2008 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.

7. Significant Events after the Balance Sheet Date, Opportunities and Outlook

Significant events after the balance sheet date

After the balance sheet date, the insolvency of a customer indirectly attributable to discontinued operations in Europe made it necessary for us to remeasure receivables and property, plant and equipment. The effects of this remeasurement are included in and explained in the notes to the consolidated financial statements for 2009. Subsequent to the balance sheet date, no other events took place that are of material significance to the UMS Group and could lead to a different assessment of the Group.

Outlook

After a deep recession, the macroeconomic situation stabilized toward the end of the reporting year. However, a sustained upturn is not yet on the horizon for 2010, and there is still a risk that the economy will suffer setbacks.

Nonetheless, we expect the market segments relevant to our company in North and South America to continue to generate robust growth in the future with the regulatory framework remaining largely unchanged. We do not anticipate the U.S. healthcare reform to necessitate material changes to our business model.

For this reason, we plan to further increase revenue and earnings in all clinical treatment segments of the UMS Group in fiscal 2010. This assessment is based primarily on the developments described as follows.

Urological applications will remain the foundation of our business in the current fiscal year. In the United States, we will further accelerate the growth of our Urology segment by expanding existing and establishing new physician partnerships.
Thanks to the launch of the Biolitec EVOLVE® Laser System for treatment of benign prostate enlargement, we additionally anticipate new impetus for growth for our recently declining laser business. Moreover, we aim to step-up the Group's activities regionally, both in the United States and in South America.

In the Gynecology segment, we have been offering our customers an alternative imaging procedure for breast biopsies since the end of 2009. This flexible ultrasound technique is particularly attractive to physicians who wish to offer biopsies in their practices, thereby giving the UMS Group the opportunity to reach new customer groups. Based on our initial experience in the marketing and launch phase in 2009, we see considerable potential for increasing revenue and earnings in this product.

On the whole, we anticipate the 2010 fiscal year to bring continued revenue growth and therefore consolidated revenue of between €37 million and €40 million. We aim to again increase earnings per share more sharply than revenue to between €0.55 and €0.65.

Assuming the current business environment remains the same, we also expect a correspondingly stable growth trend in fiscal 2011.

8. Report on the Acconting-related Internal Control System and Risk Management System Pursuant to §289 (5) and §315 (2) of the German Commercial Code

Legal background

Pursuant to §289 (5) and §315 (2) No. 5 of the German Commercial Code (HGB) as amended after entry into force of the Act on Modernization of Accounting Regulations (BilMoG), UMS AG's combined management report and group management report must describe the key aspects of the internal control system and risk management system relating to the accounting process.

Subject of the report

The law does not provide a definition of the „key aspects of the internal control and risk management system relating to the accounting process in the Company and the Group." Based on the legislative intent behind BilMoG, we consider an internal control system to consist of the principles, procedures and measures required to ensure the effectiveness, efficiency and propriety of the Company's accounting, and compliance with applicable legal regulations.

The risk management system described in UMS AG's risk report includes the entirety of all organizational regulations and measures aimed at identifying risks and managing the risks associated with business activities. All of the regulations relating to the accounting system described below are part of this overall risk management system.

Key aspects of the internal control system and risk management system relating to the accounting process in the Company and in the Group

UMS AG has implemented an internal control system and a risk management system for the Company and for the Group with the following key features:

- The UMS Group is structured simply and clearly. The Management Board assumes overall responsibility for the aspects of the internal control and risk management systems relating to the accounting process in the Company and in the Group.
- Coordinated planning, reporting and control processes documented in the corresponding Group manuals and checklists exist throughout the Group for the purpose of fully analyzing and managing risk factors that could affect earnings as well as risks that could endanger the Company's continued existence as a going concern.
- A risk analysis is a permanent part of the planning process.
- Monitoring controls are performed regularly by senior finance management based on random samples. The monitoring and control processes are supported with software.
- In organizational terms, financial and accounting activities are concentrated at UMS AG and its direct equity holdings. Second-tier subsidiaries do not perform their own accounting processes; this is to ensure efficient structures and compliance with quality and control standards.
- The departments and teams involved in the accounting process are suitably equipped, both in terms of quantity and quality. The dual-control principle is applied to all accounting-related processes.
- The Company's financial systems are protected from unauthorized access by the corresponding IT security systems. We use standard software wherever possible.

Like all processes in the Company in general, accounting-relevant processes are regularly reviewed by the responsible management employees. Because no internal auditing system is in place due to the size and structure of the Company, we commission third-party auditors to review these processes in key business units.

9. Report Pursuant to §289 (4) 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 5,414,635 no-par-value shares,each theortically representing approximately € 1.11 of the share capital. 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 (§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, 18.8% 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 §84 of the German Stock Corporation Act (AktG) 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 §13(2) of the Articles and Bylaws, the shareholders' meeting has availed itself of the opportunity granted by §179(1) sentence 2 of the German Stock Corporation Act (AktG) to authorize the Supervisory Board to make amendments that affect only the wording of the Articles and Bylaws.

   Pursuant to §19(2) 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 §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 §6(3) of the Articles and Bylaws, the share capital is conditionally increased by issuing 200,000 no-par-value bearer shares. The conditional capital increase will only be carried out to the extent that the holders of stock options issued pursuant to the shareholders' authorization resolution of August 26, 2003 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 5, 2009, 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, 2010. The purchase may be made on the stock exchange or through a public purchase offer made to all shareholders. The authorization may be exercised in whole or in part, once or several times.

No material agreements exist which are subject to the condition of a change in control of UMS AG.

8. 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.

10. Declaration of Corporate Governance

The Management Board and Supervisory Board of UMS AG have issued and made publicly available the Declaration of Corporate Governance stipulated by §289a of the German Commercial Code (HGB) on the Corporate Governance page of the Company's Web site at www.umsag.com

Hamburg, March 18, 2010

Jørgen Madsen

Consolidated Financial Statements 2009

UMS United Medical Systems International AG

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Consolidated Income Statement

for the Financial Year 2009

	Note	2009	2008 adjusted*
		€ ´000	€ ´000
Continuing Operations			
Revenues	5	35,703	33,570
Cost of revenues	5	-17,791	-17,277
Gross profit		**17,912**	**16,293**
Distribution and selling expenses	5	-2,432	-2,130
General and administrative expenses	5	-4,078	-3,845
Other operating income and expenses	5	141	375
Operating result		**11,543**	**10,693**
Interest income	5	79	72
Interest expenditure	5	-488	-727
Result before taxes and minority interest		**11,134**	**10,038**
Other taxes		-91	-68
Income taxes	6	-2,029	-1,809
Profit from continuing operations		**9,014**	**8,161**
Discontinued operations			
Profit from discontinued operations	7	490	89
Profit for the year		**9,504**	**8,250**
Attributable to Equity holders of the parent		2,620	3,068
Minority interest		6,884	5,182
thereof continued operations		6,201	5,098
thereof discontinued operations		683	84
Net income per share		**in €**	
Net income per share (basic)	8	0.48	0.52
Net income per share (diluted)	8	0.46	0.51
Net income per share (basic) from continuing operations	8	0.52	0.52
Net income per share (diluted) from continuing operations	8	0.50	0.51
		in thousands	
Weighted average shares outstanding (basic), in thousands	8	5,476	5,860
Weighted average shares outstanding (diluted), in thousands	8	5,676	6,060

* 2008 adjusted due to separate disclosure of discontinued operations

Consolidated Statement of Comprehensive Income

for the Year ended December 31, 2009

	2009	2008
	€ ´000	€ ´000
Profit for the year	**9,504**	**8,250**
Exchange differences on translation of foreign operations	-806	936
Total comprehensive income for the year, net of tax	**8,698**	**9,186**
thereof attributable to Minority interest	6,567	5,567

There are no income tax effects on translation of foreign operations

Consolidated Balance Sheet

as of December 31, 2009

ASSETS	Note	31.12.2009	31.12.2008
		€ 000	€ 000
Current assets			
Cash and cash equivalents	16	5,281	3,559
Trade accounts receivable	15	5,631	6,296
Inventories	14	1,148	1,468
Prepaid expenses and other current assets		819	1,496
Total current assets		**12,879**	**12,819**
Non-current assets			
Advance Payments			
Property, plant and equipment	9	8,064	8,017
Intangible assets	10	10,383	9,949
Other financial assets	12	131	625
Goodwill	10,11	74	74
Deferred taxes	6	165	49
Total non-current assets		**18,817**	**18,714**
Total assets		**31,696**	**31,533**

LIABILITIES AND EQUITY	Note	31.12.2009	31.12.2008
		€ ´000	€ ´000
Current liabilities			
Trade accounts payable	20	1,251	1,593
Liabilities due to banks	18	1,682	1,812
Leasing obligations	18, 21	951	934
Other current liabilities	20	408	274
Liabilities relating to taxes		66	57
Other accrued expenses	19	1,138	727
Total current liabilities		**5,496**	**5,397**
Non-current liabilities			
Liabilities due to banks	18	1,313	3,928
Leasing obligations	18, 21	1,794	1,856
Other non-current liabilities	20	624	
Deferred Taxes	6	1,249	788
Total non-current liabilities		**4,980**	**6,572**
Equity			
Share capital	17	5,858	5,675
Additional paid-in capital	17	8,340	8,340
Equity portion warrant	17	20	20
Cumulative translation adjustment		-6,746	-6,257
Accumulated gain/deficit		8,200	7,863
Equity attributable to parent company		15,572	15,641
Minority interest		5,548	3,923
Total equity		**21,220**	**19,564**
Total liabilites and equity		**31,696**	**31,533**

Consolidated Statement of Changes in Equity

	Share Capital	Additional Paid-in Capital	Currency Translation Adjustment
	€´000	€´000	€´000
Balance January 1, 2008	**6,016**	**8,340**	**-6,807**
Comprehensive Income			551
Distribution			
Addition of Minority Interest in controlled entities			
Buy back of own shares	-341		
Balance December 31, 2008	**5,675**	**8,340**	**-6,257**
Balance January 1, 2008	**5,675**	**8,340**	**-6,257**
Comprehensive Income			-489
Distribution			
Retirement of own shares	601		
Buy-Back of own Shares	-418		
Balance December 31, 2009	**5,858**	**8,340**	**-6,745**

Equity portion of bond	Accumulated gain/ deficit	Equity parent company	Minority Interest	Total equity
€´000	€´000	€´000	€ ´000	€´000
20	**6,197**	**13,766**	**3,067**	**16,832**
	3,067	3,618	5,567	9,185
			-4,175	-4,175
	-325	-325	-536	-860
	-1,077	-1,418		-1,418
20	**7,863**	**15,641**	**3,923**	**19,564**
20	**7,863**	**15,641**	**3,923**	**19,564**
	2,620	2,131	6,567	8,698
			-4,943	-4,943
	-601	0		0
	-1,682	-2,100		-2,100
20	**8,200**	**15,672**	**5,548**	**21,220**

Consolidated Cash Flow Statement

for the Financial Year 2009

	2009	2008
	€ ´000	€ ´000
Profit for the year	**9,504**	**8,250**
Adjustment to reconcile profit for the year to net cash flows:		
Profit(-)/Loss(+) from sale of business units	-1,528	-596
Depreciation on property, plant and equipment	2,260	2,112
Depreciation on intangible assets	1,091	987
Change in deferred taxes, net	377	332
Other non-cash expenses/income	0	-189
Working Capital adjustments:		
Increase(-)/Decrease(+) in trade receivables	-515	-481
Increase(-)/Decrease(+) in Prepaid expenses and other current assets	1,143	-638
Increase(-)/Decrease(+) in inventories	232	-116
Increase(+)/Decrease(-) in trade payables	-322	192
Increase(+)/Decrease(-) in liabilities related to taxes	10	-430
Increase(+)/Decrease(-) in other accrued expenses and current liabilities	320	-64
= Net cash provided by operating activities	**13,612**	**9,358**
Purchases of property, plant and equipment, net of finance leasing	-2,321	-957
Purchases of intangible assets	-1,930	0
Purchase of business units	-272	0
Acquisition of Minority Interests	0	-860
Proceeds from the sale of business units	1,013	
Proceeds from the sale of equipment	25	1,261
= Net cash used in investing activities	**-3,485**	**-556**

	2009	2008
	€ ´000	€ ´000
Payments for Buy Back of own shares	-2,100	-1,418
Payments to minority shareholders in partnerships	-4,583	-3,977
Proceeds from long term debt due to banks	1,286	1,613
Repayments to banks (long term)	-1,965	-1,285
Net change in Lease liabilities	-836	-2,360
Proceeds from short term debt due to banks	214	90
Repayments to banks (short term)	-295	--1,275
= Net cash used in financing activities	**-8,279**	**-8,612**
Changes in consolidated qroup	0	0
Net effect of currency translation in cash and cash equivilants	-126	-178
Net increase/decrease in cash and cash equivalents	1,722	12
+ Cash and cash equivalents at beginning of the period	3,559	3,547
= Cash and cash equivalents at end of period	5,281	3,559
Additional information on cash flows		
Payments for interest	-548	-803
Proceeds from interest	27	47
Payments for taxes on income	-1,578	-2,638
Relevant non-cash transactions		
Purchases of property, plant and equipment financed by finance lease	-995	-1,146

Notes to the Consolidated Financial Statements

for the year ended 31 December 2009

1. General

UMS United Medical Systems International AG (hereinafter „UMS AG“) is a publicly traded German stock corporation headquartered in Hamburg, Germany. UMS AG's operating subsidiaries are located in the United States, Canada, Chile and Ecuador, and the Company's clear focus is on its business activities in North America. Additional information on the Group's activities is provided in Note 4 (Segment Information).

The present consolidated financial statements of UMS AG and its subsidiaries were released for review by the Supervisory Board in accordance with a resolution by the Management Board on March 18, 2010.

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 (IFRSs) applicable at December 31, 2009 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, 2009 were applied.

Basis of preparation

The consolidated financial statements were prepared on a historical cost basis, except for certain 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 separate presentation of discontinued operations, figures for fiscal year 2008 were adjusted accordingly where necessary. The UMS Group sold a business unit in the U.S. in December 2009 and, as a result, classified it as a discontinued operation. Therefore, this U.S. business unit has been assigned to discontinued operations for purposes of the prior-year comparison figures, as well.

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.

A complete list of the Group's holdings is presented in Note 22.

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 2 "Share-based Payment; Vesting Conditions and Cancellations"
- IFRS 7 "Financial Instruments: Disclosures"
- IFRS 8 "Operating Segments"
- IAS 1 "Presentation of Financial Statements"
- IAS 23 "Borrowing Costs"
- IAS 32 "Financial Instruments: Presentation"
- IFRIC 13 "Costumer Loyalty Programmes"
- IFRIC 16 "Hedges of a Net Investment in a Foreign Operation"
- Changes made as part of the 2008 IFRS annual improvements process

Adoption of the new standards IFRS 8 and IAS 1 has impacted the presentation of the Group's net assets, financial position and results of operations.
With the first-time adoption of IFRS 8 „Operating Segments," the identification of reportable operating segments is now based on the management approach. Therefore, the Group has adjusted its external segment reporting to match its internal financial reporting to the Management Board of UMS AG.
As a result of the first-time presentation of the financial statements in keeping with IAS 1 R, the Group must prepare a reconciliation from the profit or loss for the reporting period to its total comprehensive income.
In applying the improvements, account was taken of clarifications of the disclosure requirements under IFRS 5 and IFRS 8.

Business combinations and goodwill

Business combinations are accounted for using the acquisition accounting method.

Goodwill arising from business combinations 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 amount 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 synergies of the combination. 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.

Non-current assets held for sale and discontinued operations

Non-current assets held for sale or classified as a discontinued operation are stated at the lower of their carrying value or fair value less selling costs. Scheduled depreciation and amortization are no longer taken.

The income and expenses of discontinued operations are presented separately on the face of the income statement from the income and expenses of continuing operations, both for the reporting period and for the comparison period. The result after taxes from discontinued operations is also reported separately.

Due to the sale in the reporting year of a business unit in the U.S., the figures for 2008 have been restated accordingly.

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.

The U.S. dollar exchange rate, which is material for UMS AG, developed as follows:

	Exchange rate as of the reporting date		Weighted average exchange rate	
	per 1 €		per 1 €	
	Dec. 31, 2008	Dec. 31, 2009	2008	2009
U.S. dollar	1.40	1.44	1.46	1.40

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

Interest income is recognized when earned (using the effective interest method).

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 as of the balance sheet date.

Deferred tax

Deferred taxes are recognized according to the balance sheet liability method on temporary differences between the carrying amounts reported in the balance sheet prepared for reporting purposes and the balance sheet prepared for tax purposes as well as on tax loss carry-forwards.

Differences calculated according to this method are generally always recognized to the extent that they result in deferred tax liabilities. Deferred tax assets are only recognized if it is likely that the corresponding tax benefits will also be realized.

Deferred tax assets and liabilities are also recognized on temporary differences arising from acquisitions except where they arise from goodwill that is not taken into account for tax purposes.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that are applicable at the balance sheet date. Future changes in tax rates are applied insofar as material conditions for validity as part of a legislative process have been fulfilled as of the balance sheet date.

Changes in deferred taxes on the balance sheet generally give rise to deferred tax income or expense. To the extent that items resulting in a change in deferred tax are credited or charged directly to equity, the change in deferred tax is also recognized directly in equity.

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.

Earnings per share

Basic earnings per share are calculated by dividing net profit for the year attributable to shareholders of UMS AG by the weighted average number of shares issued. The shares bought back during the year under review are recognized on a pro rata basis. In the periods under review presented here, no new dilutive effects occurred. Stock options for 200,000 ordinary shares have existed since April 2004.

Employee benefits

Pensions and other post-employment benefits

The UMS Group's U.S. 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.

Financial assets

Initial recognition and subsequent measurement

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. The Group determines the classification of its financial assets after initial recognition.

When financial assets are recognized initially, they are measured at fair value. The transaction costs directly attributable to acquisition are recognized for all financial assets not recognized at fair value through profit or loss in subsequent periods.

The subsequent measurement of financial assets depends on their classification.

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. After initial recognition, financial investments held to maturity are carried at amortized cost using the effective interest method and reduced by any impairment losses.

During fiscal 2009 and 2008, the Group did not have any held-to-maturity investments.

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.

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.

Financial liabilities

Initial recognition and subsequent measurement

Financial liabilities give rise to an obligation that must be settled in cash or other financial assets. These include in particular trade payables, derivative financial liabilities and components of debt, primarily bonds and other securitized liabilities, liabilities to banks and finance lease liabilities.

The initial recognition of financial liabilities is at fair value. The transaction costs directly attributable to acquisition are recognized for all financial liabilities not recognized at fair value through profit or loss in subsequent periods.

The subsequent measurement of financial liabilities depends on their classification.

Interest-bearing loans and borrowings

After initial recognition, interest-bearing loans are 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 include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Determination of fair value of financial instruments

The fair value of financial instruments 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 assets for which there is no active market is determined by the Company itself or by third-party experts using measurement methods.

Amortized cost of financial instruments

Amortized cost is calculated using the effective interest method, less any impairment losses, and repayments or principal reductions.

Impairment of financial assets

At each balance sheet date, the carrying amounts of financial assets not measured at fair value through profit or loss are subjected to testing to determine whether objective evidence exists to indicate impairment. Objective evidence includes, for example, major financial difficulty of the borrower, the ceasing to exist of an active market or significant changes in the technological, market, economic or legal environment.

The amount of the impairment loss for a financial asset carried at amortized cost or held to maturity 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. The amount of the impairment 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 amount 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 are deemed uncollectible (e.g., after conclusion of bankruptcy proceedings).

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 has transferred its contractual rights to the cash flows from the financial asset to a third party or assumes a contractual obligation to pay the cash flows immediately to a third party as part of an arrangement that satisfies the requirements of IAS 39.19 and thereby either transfers substantially all of the risks and rewards associated with ownership of the financial asset or transfers control over 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 underlying obligation is discharged, cancelled or expires.

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.

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.

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, issuance or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration paid is recognized in distributable profit.

The volume of treasury shares held is reported separately in the Notes.

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

When sold or retired, the cost and accumulated depreciation of plant and equipment are removed from the balance sheet; any resulting gains or losses are recognized in income.

The residual values, useful lives and methods of depreciation are reviewed at the end of each fiscal year and adjusted as necessary.

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.

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.

Borrowing costs

Borrowing costs are recognized as an expense when incurred.

The Group produced no assets in the reporting year requiring a substantial period of time to complete and thus did not have any directly allocable borrowing costs which would have to be capitalized as part of the asset's cost until the asset was ready for its intended use.

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. Intangible assets with a specific useful life are written down over the economic life of the asset and tested for possible impairment as soon as there are indicators of impairment. Their useful lives are also reviewed annually 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".

Contracts and customer bases

Contracts and customer bases acquired for a fee or in a business combination are reported on the balance sheet as a separate group of intangible assets. The useful life of contracts and customer bases is determined using the historical cost method, assuming a limited useful life that is typically set at 12 years.

The carrying value of contracts and customer bases is tested yearly for indications of impairment.

„Certificate of Need (CON)"

In some U.S. states, a certificate of need or similar regulatory approval is required of medical services. The U.S. affiliate of the Group has acquired several certificates of need to operate services in states under certificate-of-need laws. The acquired approvals are treated as intangible assets with an infinite useful life and, effective September 2005, are no longer amortized. The use of an infinite useful life reflects the industry standard since such certificates are granted for an indefinite term and have no expiration date.

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

Costs of exclusive distribution rights

The U.S. 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 amount of the distribution rights is reviewed for impairment at least annually.

Overview of valuation methods

	Contracts and customer bases	Certificate of Need	Distribution Rights
Useful lives	finite	indefinite	definite
Method used	12 years straight line	none	5 years straight line
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.

Impairment of non-financial assets

At each balance sheet date, the Group tests the carrying amounts of intangible assets and property, plant and equipment to determine if there is any indication that impairment could have occurred. In this case, the recoverable amount of the asset in question is calculated in order to determine the amount of an impairment loss to be recognized, if any.

Goodwill arising from business combinations and from intangible assets with an indefinite useful life is tested for impairment at every balance sheet date and, additionally, if indications of possible impairment exist at other times. The recoverable amount of an asset or a cash-generating unit is the higher of fair value less costs to sell and its value in use. The recoverable amount must be determined for each individual asset unless the asset does not generate any cash inflows that are largely independent from those of other assets or other groups of assets. If the carrying amount of an asset or a cash-generating unit exceeds the recoverable amount, the asset is deemed impaired and is written down to the recoverable amount.

The value in use is the present value of the expected future cash flows discounted by applying a pre-tax rate that reflects current market expectations with regard to the time value of money and the specific risks associated with the asset. A suitable measurement model is applied to calculate the fair value less costs to sell.

For all assets other than goodwill, an assessment is made at each balance sheet date as to whether there is any indication that an impairment loss recognized previously may no longer exist or may have decreased. If such indication exists, the Group estimates the recoverable amount of the asset or the cash-generating unit. A previously recognized impairment loss is only reversed if a change has occurred in the assumptions used to calculate the recoverable amount since the recognition of the most recent impairment loss. The reversal of the impairment loss is limited to the extent that the carrying amount of an asset may neither exceed its recoverable amount nor the carrying amount that would have resulted after recognition of depreciation/amortization charges if no impairment loss had been recognized for the asset in prior periods. Reversals of impairment losses are recognized in profit or loss.

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.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and balances with banks.

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

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.

The amount of the provision corresponds to the best possible estimate of the amount required to settle the current obligation as of the balance sheet date. Expected reimbursements by third parties are not offset, but instead recognized as a separate asset as long as it is virtually certain that the reimbursement will be received. If the time value of money is material, then the provision is discounted using a market rate that adequately accounts for risk.

Provisions for restructuring measures are recognized to the extent that a detailed, formal restructuring plan has been prepared and announced to the affected parties.

Significant accounting judgments and estimates

The preparation of consolidated financial statements requires the Management Board to make judgments, estimates and assumptions that affect the application of accounting policies in the Group and reported amounts of assets and liabilities as well as income and expenses. Actual amounts may differ from these estimates.

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. Due to the insolvency of the lessee, the Group has written off the imaging system in full since the recoverable amount is believed to be zero.

Standards issued but not yet mandatory

As of December 31, 2009, the IASB had issued the following new or revised standards and interpretations relevant for the Group's business activities whose application was not yet mandatory as of the reporting date and which the Group had not yet applied ahead of schedule:

As early as January 2008, the IASB published revised versions of IFRS 3 „Business Combinations“ and IAS 27 „Consolidated and Separate Financial Statements.“ The most significant change is how to account for acquisitions of less than 100% of an acquiree's shares. The option was introduced of capturing the goodwill from the acquisition as a whole according to the full goodwill method, i.e., including that portion of the equity which is attributable to non-controlling interests. The revisions also stipulate that acquisitions of additional shares of the acquiree and disposals of shares which do not result in a loss of control are to be treated as transactions between owners and captured directly in equity and additionally provide that acquisition-related costs are to be expensed in full. The amended standards are mandatory for business combinations undertaken in annual periods beginning on or after July 1, 2009. At this time, the Group does not expect the adoption of the revised versions to have any material impact on its results of operations.

In July 2008, the IASB published amendments to IAS 39 „Financial Instruments: Recognition and Measurement“ on risk exposures that are eligible for hedge accounting. The amendments to IAS 39 are effective for annual periods beginning on or after July 1, 2009. There will be no impact on the consolidated financial statements of UMS AG.

IFRIC 17 „Distributions of Non-cash Assets to Owners“ was published in November 2008. The interpretation is first mandatory for annual periods beginning on or after July 1, 2009 and provides guidance on how entities should measure distributions of assets other than cash to their owners. The Group does not expect the application of IFRIC 17 to have any impact on the consolidated financial statements since it does not intend to make distributions of non-cash assets.

IFRIC 18 „Transfers of Assets from Customers“ was published in January 2009. The interpretation is valid for annual periods beginning on or after July 1, 2009 and is particularly relevant for the utilities sector. The Group does not expect any impact on the consolidated financial statements.

In March 2009, the IASB published amendments to IFRIC 9 „Reassessment of Embedded Derivatives“ and IAS 39 „Financial Instruments: Recognition and Measurement“ which clarify that all embedded derivatives must be reassessed and, if necessary, separately accounted for in the financial statements when financial assets are reclassified out of the „at fair value through profit or loss“ category. The amendments are effective for annual periods beginning on or after June 30, 2009. The amendments are not relevant as the Group has undertaken no such classifications or reclassifications.

In April 2009, the IASB issued a second collection of amendments as part of its annual improvements process. Ten IFRSs and two IFRICs were amended. The purpose of the annual improvements process is to deal with non-urgent but necessary amendments to existing IFRSs that are not addressed as part of other, larger projects. The vast majority of the amendments are effective for annual periods beginning on or after January 1, 2010. They will have no material impact on the consolidated financial statements of UMS AG.

In June 2009, the IASB published amendments to IFRS 2 „Shared-based Payment; Group Cash-settled Share-based Payment Transactions“ to clarify how an individual subsidiary in a group should account for cash-settled share-based payment transactions in its own financial statements. In addition, some provisions that were previously contained in IFRIC 8 and IFRIC 11 were incorporated into IFRS 2. The amended standard is mandatory for annual periods beginning on or after

January 1, 2010, with early adoption permitted. The amendments are not relevant since the Group does not anticipate introducing any share-based payment within the Group at this time.

The IASB published an amendment to IAS 32 „Financial Instruments: Presentation“ in October 2009 that addresses the accounting treatment of rights issues (rights, options or warrants) which are denominated in a currency other than the functional currency of the issuer. This amendment to IAS 32 is effective for annual periods beginning on or after February 1, 2010. No impact is expected on the consolidated financial statements of UMS AG.

In November 2009, the IAS published a revised version of IAS 24 „Related Party Disclosures.“ The amendments address a partial exemption from the standard's disclosure obligations for government-related entities as well as further clarification regarding the definition of a related party. The provisions of IAS 24 are effective for annual periods beginning on or after January 1, 2011. The Group does not expect any material impact on the consolidated financial statements.

The IASB also published IFRS 9 „Financial Instruments: Classification and Measurement“ in November 2009, which represents the completion of the first of a three-phase IASB project aimed at revising the accounting treatment of financial instruments and replacing IAS 39. IFRS 9 introduces new requirements for the classification of financial assets that are effective for annual periods beginning on or after January 1, 2013.

The IASB published amendments to IFRIC 14 „The Limit on a Defined Benefit Asset, Minimum Funding Requirements and Their Interaction“ in November 2009, as well. The amendments to IFRIC 14 pertain to the treatment of voluntary prepaid contributions under minimum funding requirements for pension plans. The provisions of IFRIC 14 are effective for annual periods beginning on or after January 1, 2011. These amendments will not have any impact on the consolidated financial statements of UMS AG.

The IASB also published IFRIC 19 „Extinguishing Financial Liabilities with Equity Instruments“ in November 2009. IFRIC 19 governs the recognition and measurement of equity instruments that a borrower issues to extinguish a financial liability. The provisions of IFRIC 19 are effective for annual periods beginning on or after July 1, 2010. There will be no impact on the consolidated financial statements of UMS AG.

3. Business Combinations

Transactions in 2009

Asset Deal MoBx Corporation

In August 2009, the UMS Group (again through its U.S. subsidiary) acquired all of the assets of MoBx Corporation. The principal assets of MoBx Corporation consisted of ten customer contracts on the performance of stereotactic breast biopsies in the state of California as well as two mobile systems and the accompanying vehicles used to transport them.

The fair value of the identifiable assets and liabilities purchased in this transaction and the outflow of cash from the transaction are shown in the following table:

	Fair Value recognized at aquisition €'000	Previous carrying amount €'000
Property, plant and equipment	105	127
+ Intangible assets (contracts)	245	0
= Net assets	**350**	**127**
= Total consideration	**350**	
– Earn-out component	78	
= Net cash outflow	272	

The contribution to net income in fiscal 2009 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 1 of the reporting year cannot be determined.

Andover Surgical Center

The UMS Group sold the principal assets of Andover Surgical Center (ASC LP) in December 2009.

The carrying value of the assets and liabilities sold as well as the inflow of cash from the transaction are shown in the following table:

	€'000
Property, plant and equipment	1,767
+ Intangible assets (CON)	216
+ Inventories	67
– Liabilities under leases	-105
= Net assets	**1,943**
+ Gain on the transaction	1,518
= Total consideration	**3,463**
– Transaction costs	-44
– Repayments made in connection with the transaction	-1,892
– Minority interest payments	-514
= Net cash outflow	1,013

Restructuring of the Chesapeake Group in 2008

In the 2008 reporting year, the UMS Group did not enter into any new business combinations. However, the restructuring of companies in the Chesapeake Group acquired in 2007 caused changes to occur in the organizational structure of the Group.

In May 2008, Chesapeake Lithotripsy Associates, LP, was combined with UMS Chesapeake LLC. In this context, UMS Chesapeake LLC also acquired noncontrolling interests in four other urologist partnerships associated with Chesapeake Lithotripsy Associates, LP, that were subsequently also combined with UMS Chesapeake LLC.

UMS Chesapeake LLC as the only remaining company is now the central operating unit that maintains and fulfills all service contracts.

The difference between the acquisition cost of the noncontrolling interests and the carrying amount attributable to the interests acquired amounting to €325k was recognized directly in equity and deducted from the distributable profit.

4. Segment Information

The segment reporting of the UMS Group follows the management approach, which means that it is based on internal organization and reporting structures. The management of the UMS Group has formed the Company's operating segments for internal reporting purposes on the basis of the different medical disciplines in which the Group offers specific services.

Thus, the Group has the following two reportable operating segments:

The Urology segment delivers full service solutions mainly for the treatment of kidney stones using shock waves and for the laser treatment of benign prostate enlargement. This segment also includes the sale of Richard Wolf urology systems.

The Gynecology segment covers the provision of stereotactic breast biopsies using mobile equipment and the sale of disposable items used in the early detection of breast cancer.

Information about business operations and business segments that are not reportable is captured under „all other segments," which includes services provided by the UMS Group in the area of radiology with mobile MRI systems and in the area of oncology for the treatment of prostate cancer.

The operation of outpatient clinics, a business which the UMS Group sold at the end of 2009, meets the definition of a discontinued operation pursuant to IFRS 5. Otherwise, it would have been reported under „all other segments," as well.

Prices for transfers between the segments are based on competitive market prices.

Segment data for the year ended December 31, 2009

	Segment revenues €`000	Depreciation and amortization €`000	Segment result €`000
Urology	**24,054**	-2,151	**8,193**
Gynecology	**10,271**	-653	**3,050**
All other segments	**1,439**	-144	**146**
Recon-ciliation on the Group	**-61**	142	**362**
Group	**35,703**	-2,806	**11,751**

Reconciliation from the cumulative result of the segments to the Group's result for the period

	2009 € `000
Cumulative result of the reportable segments	11,751
Minority interests in the segment result	6,161
Selling expenses	-2,432
General administrative expenses	-4,078
Other operating income and expenses, net	141
Group EBIT	**11,543**
Interest income and expenses, net	-409
Taxes	-2,120
Result from discontinued operations	490
Profit for the year	**9,504**

Segment data for the year ended December 31, 2008

	Segment revenues €`000	Depreciation and amortization €`000	Segment result €`000
Urology	**22,264**	-1,913	**7,737**
Gynecology	**9,430**	-39	**3,053**
All other segments	**1,518**	-424	**36**
Recon-ciliation on the Group	**358**	-27	**413**
Group	**33,570**	-2,759	**11,239**

Reconciliation from the cumulative result of the segments to the Group's result for the period

	2008 € `000
Cumulative result of the reportable segments	11,239
Minority interests in the segment result	5,054
Selling expenses	-2,130
General administrative expenses	-3,845
Other operating income and expenses, net	375
Group EBIT	**10,693**
Interest income and expenses, net	-655
Taxes	-1,877
Result from discontinued operations	89
Profit for the year	**8,250**

Geographical Data

Geographical data on external revenues is broken down by customer location.

	2009 €´000	2008 €´000
External revenues North America (U.S./Canada)	34,519	32,106
External revenues South America (Chile)	1,075	1,106
External revenues Europe (Germany)	109	358
Group revenues	**35,703**	**33,570**

The non-current assets shown in the following overview include both property, plant and equipment and intangible assets:

	2009 €´000	2008 €´000
Non-current assets North America (U.S./Canada)	17,524	17,166
Non-current assets South America (Chile)	992	566
Non-current assets Europe (Germany)	5	308
Total Group	**18,521**	**18,040**

5. Revenues and Expenses

The information about income statement items included in the following tables relates to continuing operations.

Other income/expense	2009 €`000	2008 €`000
Other income	232	960
Other expense	-91	-585
Other income/expense	**141**	**375**

Other income mainly includes exchange gains and income from the reversal of provisions.

Other operating expenses primarily include exchange losses, write-downs on receivables and other extraordinary expenses.

Finance income	2009 €`000	2008 €`000
Bank interest income	20	36
Investment income	31	28
Other interest income	28	8
	79	**72**

Finance costs	2009 €`000	2008 €`000
Bank loans and overdrafts	-282	-377
Other loans	-15	-62
Finance charges payable under finance leases and hire-purchase contracts	-191	-288
	-488	**-727**

Included in cost of sales are:	2009 € `000	2008 € `000
Depreciation of property, plant and equipment		
- Owned assets	-667	-597
- Assets under finance lease	-1,083	-1,219
Amortization of intangible assets	-1,056	-943
	-2,806	**-2,759**
Cost of inventories recognized as an expense	-287	-393
Personnel expenses	-7,403	-6,712
Service and maintenance expenses	-837	-903
Other expenses	-6,458	-6,510
Total cost of sales	**-17,791**	**-17,277**

Distribution and selling expenses	2009 € `000	2008 € `000
Depreciation of property, plant and equipment		
- Owned assets	-15	-22
- Assets under finance lease	-24	-14
Amortization of intangible assets	-22	-21
Personnel expenses	-1,461	-1,384
Other expenses	-910	-689
Total expenses	**-2,432**	**-2,130**

General and administration expenses	2009 € `000	2008 € `000
Depreciation of property, plant and equipment		
- Owned assets	-70	-66
- Assets under finance lease	-4	-13
Amortization of intangible assets	0	-23
Personnel expenses	-1,890	-1,854
Other expenses	-2,114	-1,889
Total expenses	**-4,078**	**-3,845**

Other expenses include audit fees for the Group auditors amounting to €141k (2008: €139k). The audit fee in the reporting year and in the previous year relates exclusively to the audit of the consolidated and single-entity financial statements.

Employee remuneration	2009 € `000	2008 € `000
Salaries	-9,184	-8,232
Contribution to pension plans	-118	-109
Other social securities	-1,755	-1,610
Total employee remuneration	**-11,057**	**-9,951**

The average number of employees for the year was 220 (2008: 208). Of that amount, 202 were employed in continuing operations (2008: 192).

Depreciation/amortization	2009 € `000	2008 € `000
Property, plant and equipment		
- Cost of sales	-1,750	-1,816
- Distribution and selling	-39	-36
- General and administration	-74	-79
Total	**-1,863**	**-1,931**
Intangible assets		
- Cost of sales	-1,056	-943
- Distribution and selling	-22	-23
- General and administration	0	-21
Total	**-1,078**	**-987**
Total expenses	**-2,941**	**-2,918**

6. Income Tax

The major components of income tax expense for the years ended December 31, 2009 and 2008 are:

Consolidated income statement	2009 € `000	2008 € `000
Current income tax - Current income tax	-2,063	-1,466
Deferred income tax - Relating to origination and reversal of temporary differences	-342	-343
Income tax expense reported in consolidated income statement	**-2,405**	**-1,809**

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, 2009 and 2008 is as follows:

	2009 €`000	2008 €`000
Accounting profit/loss before income tax from continuing operations	11,043	9,970
Profit/loss from discontinued operations	1,350	89
Accounting profit/loss before income tax	**12,393**	**10,059**

	2009 €`000	2008 €`000
Germany statutory income tax rate of 32.28% (2008: 32.28%)	-4,000	-3,247
Difference in foreign taxation	-1,410	-900
Withholding tax on dividends	0	101
Difference in domestic taxation (non-deductible expenses)	-142	-101
Deferred tax expense arising from permanent differences	86	31
Impairment on deferred tax assets or liabilities/deferred tax assets or liabilities not recognized	-20	78
Effect of taxation in limited partnerships	3,021	2,160
Tax effect of corrections, consolidation	0	49
Other	60	20
	-2,405	**-1,809**

	2009 €`000	2008 €`000
Income tax expense reported in consolidated income statement	-2,029	-1,809
Income tax attributable to the current gain/loss of discontinued operations	-376	0
	-2,405	**-1,809**

UMS AG has income tax losses of €12 million (2008: 11.5 million) and €10.9 million in trade tax losses (2008: €10.3 million) 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.
The UMS group 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 €1.2 million (2008: €0.8 million). Timing differences mainly arise from differences in amortization periods and non-tax-deductible depreciation on certain assets for tax purposes.

As in the previous year, no deferred tax liabilities were recognized as of December 31, 2009 for withholding taxes on non-distributed profits from subsidiaries, because future distributions will no longer be subject to withholding taxes due to regulations of double taxation treaties.

7. Dicontinued operations

In 2006, the UMS Group decided not to continue its operating activities in Europe and to sell its European companies or business operations. As in the previous year, activities related to winding up existing or former legal entities in Europe have been classified as part of discontinued operations.

The UMS Group also sold a business in the U.S. in December 2009 (see Note 3). As a result, the revenues and results from operating this business unit in the reporting year and in the previous year, as well as the effects from the sales transaction, have been classified as part of discontinued operations, as well.

The prior year's income statement has been restated accordingly.

The results of discontinued operations for fiscal year 2009 and for the previous year were as follows:

	2009 €`000	2008 €`000
Revenues	2,717	2,172
Expenses	-2,942	-2,013
Gain on the sale	1,518	0
Loss recognized on the remeasurement to fair value	-355	0
EBIT	938	159
Financial result	-72	-70
Other taxes	0	0
Result before taxes	866	89
Tax expenses related to pre-tax profit/loss (IFRS 5)	-376	0
Gain/loss for the year from a discontinued operation after tax	490	89
thereof attributable to equity holders of the parent	-193	5
thereof minority interest	683	84

Thus, the earnings per share for discontinued operations amounted to minus €0.04 in fiscal 2009 (2008: €0.00).

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

	2009 €`000	2008 €`000
Cash flow from current operating activities	-23	193
Cash flow from investing activities	3,464	-1,642
Cash flow from financing activities	-2,575	1,606
Net cash effect	**866**	**157**

8. Earnings per Share

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

	2009 €`000	2008 €`000
Profit/loss for the year from continuing operations thereof	9,014	8,161
- Attributable to minorities	6,201	5,097
- Attributable to equity holders of the parent	2,813	3,063
Profit/loss for the year from discontinued operations thereof	490	89
- Attributable to minorities	683	85
- Attributable to equity holders of the parent	-193	4
Profit/loss for the year thereof	9,504	8,250
- Attributable to minorities	6,884	5,182
- Attributable to equity holders of the parent	2,620	3,068

	2009 €`000	2008 €`000
Weighted average number of ordinary shares for basic earnings per share	5,476	5,860
Effect of dilution: - Share options	200	200
Adjusted weighted average number of ordinary shares for diluted earnings per share	5,676	6,060

UMS AG was authorized in shareholders' resolutions dated June 12, 2007, June 5, 2008 and June 5, 2009 to acquire its own shares pursuant to § 71 (1) No. 8 of the German Stock Corporation Act (AktG). The Management Board of UMS AG was also authorized in these shareholders' resolutions to retire all or part of the treasury shares with the Supervisory Board's consent, without the need for additional shareholders' resolutions to this effect.

UMS AG acquired a total of 601,626 of its own shares in the period from April 25, 2008 to August 17, 2009. Using the authorizations granted by the shareholders' meeting, the Management Board of UMS AG resolved on October 2, 2009 to retire the 601,626 fully paid-up no-par-value shares without decreasing the share capital. Pursuant to

§ 8 (3) of the German Stock Corporation Act (AktG), the theoretical par value of the remaining shares increased as a result, from €1.00 to €1.11. The Supervisory Board approved the Management Board's resolution on October 7, 2009.

On October 9, 2009, the Management Board of UMS AG, acting with the Supervisory Board's consent, resolved to carry out an additional share buy-back program with the intent of acquiring up to 446,973 shares on the stock exchange over a period of time beginning October 12, 2009 and ending no later than November 30, 2010. As before, the purpose of the share buy-back is to retire shares. As of the 2009 reporting date, 142,612 own shares with a theoretical par value of approximately €158k had been acquired.

The weighted average number of ordinary shares therefore corresponds to the number of ordinary shares that were in circulation at the beginning of the period, adjusted for the – time weighted– number of ordinary shares repurchased during the period.

Solutions For Better Patient Care

Property, Plant and Equipment at Cost and Intangible Assets 2009

	Acquisition and production cost				
	01. Jan 09	**Effect of changes in exchange rates**	**Additions**	**Disposals**	**31. Dez 09**
	€`000	**€`000**	**€`000**	**€`000**	**€`000**
Intangible Assets					
Intangible Assets	16,400	-506	2,011	287	17,618
Goodwill	15,172	0	0	0	15,172
	31,572	**-506**	**2,011**	**287**	**32,790**
Property, plant and equipment					
Advance paymentsdvance payments					
Advance received	0	0	0	0	0
Land and building	1,940	-58	0	1,882	0
Technical equipment and machines	15,657	-275	3,061	474	17,969
Other equipment, factory and office equipment	5,729	-149	1,191	1,364	5,407
	23,326	**-482**	**4,252**	**3,720**	**23,376**

Accumulated depreciation					Net book value			
01. Jan 09	**Effect of changes in exxhange rates**	**Additions**	**Disposals**	**31. Dez 09**	**31. Dez 09**	**thereof discontinued operations**	**thereof continuing operations**	**31. Dez 08**
€`000	**€`000**	**€`000**	**€`000**	**€`000**	**€`000**	**€`000**	**€`000**	**€`000**
6,450	-233	1,091	73	7,235	10,383	0	10,383	9,949
15,098	0	0	0	15,098	74	0	74	74
21,548	**-233**	**1,091**	**73**	**22,333**	**10,457**	**0**	**10,457**	**10,023**
0	0	0	0	0	0	0	0	0
246	0	80	326	0	0	0	0	1,695
11,760	-194	1,555	497	12,624	5,345	0	5,345	3,897
3,305	-76	626	1,167	2,688	2,719	0	2,719	2,425
15,311	**-270**	**2,261**	**1,990**	**15,312**	**8,064**	**0**	**8,064**	**8,017**

Property, Plant and Equipment at Cost and Intangible Assets 2008

	Acquisition and production cost				
	01. Jan 08	**Effect of changes in exchange rates**	**Additions**	**Disposals**	**31. Dez 08**
	€`000	**€`000**	**€`000**	**€`000**	**€`000**
Intangible Assets					
Intangible Assets	15,371	841	189	0	16,400
Goodwill	15,172	0	0	0	15,172
	30,543	**841**	**189**	**0**	**31,572**
Property, plant and equipment					
Advance paymentsdvance payments					
Advance received	611	32	0	643	0
Land and building	1,190	61	726	37	1,940
Technical equipment and machines	16,117	539	1,642	2,641	15,657
Other equipment, factory and office equipment	5,359	251	697	578	5,729
	23,277	**883**	**3,065**	**3,899**	**23,326**

Accumulated depreciation					Net book value			
01. Jan 08	**Effect of changes in exxhange rates**	**Additions**	**Disposals**	**31. Dez 08**	**31. Dez 08**	**thereof discontinued operations**	**thereof continuing operations**	**31. Dez 07**
€`000	**€`000**	**€`000**	**€`000**	**€`000**	**€`000**	**€`000**	**€`000**	**€`000**
5,132	331	987	0	6,450	9,949	0	9,949	10,238
15,098	0	0	0	15,098	74	0	74	74
20,230	**331**	**987**	**0**	**21,548**	**10,023**	**0**	**10,023**	**10,312**
0	0	0	0	0	0	0	0	0
160	12	74	0	246	1,695	0	1,695	1,030
11,823	346	1,538	1,947	11,760	3,897	0	3,897	4,295
3,166	148	501	510	3,305	2,425	0	2,425	2,192
15,149	**506**	**2,113**	**2,457**	**15,311**	**8,017**	**0**	**8,017**	**8,128**

9. Property, plant and equipment

Impairment of property, plant and equipment

The annual impairment testing of the property, plant and equipment in the companies of the UMS Group revealed the need to take an impairment loss on one item of medical equipment.

As part of winding up its former activities in Europe, the Group entered into a contract to commercially lease out an MRI unit. Due to the insolvency of the lessee, the Group has written off the imaging system in full since its value in use and fair value less costs to sell it are believed to be zero.

Assets under finance lease

The carrying amount of machinery and equipment held under finance leases and hire-purchase contracts at December 31, 2009 is €4,202k (2008: €5,381k). Leased assets and assets under hire-purchase contracts are pledged as security for the related finance lease and hire-purchase liabilities.

Assets leased under other contractual arrangements

The additions in the 2009 reporting year comprise medical systems that a manufacturer leased to UMS free of charge. In return, the UMS Group agreed to purchase this manufacturer's machines and disposable items on an exclusive basis for one of its divisions going forward. An agreement with a five-year term was executed. The UMS Group capitalized the equipment at fair value and will depreciate it over 60 months. The carrying value of this equipment was reported as €798k as of December 31, 2009. The UMS Group added this same amount to its „other liabilities."

10. Intangible Assets

The carrying amount of intangible assets includes the following items:

- Contracts and customers acquired for a free or in a business combination.
- „Certificate of Need" – regulatory approval equired before providing medical services in certain U.S states,
- distribution rights for the exclusive right sell Piezolith P3000 units produced by Richard Wolf GmbH on the U.S. market,
- software,
- goodwill.

The remaining useful life of the contracts and customer bases is between 5 and 12 years. The capitalized distribution rights were written off in full as of December 31, 2009. The useful life of software licenses is 3 years.

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:

	2009 €`000	2008 €`000
Contracts and custumer bases	7,552	7,516
Certificate of Need	2,807	2,402
Distribution Rights	0	28
Other intangible assets	24	3
Intangible Assets	**10,383**	**9,949**
Goodwill	**74**	**74**

In May 2009, the Group's U.S. subsidiary acquired 20 customer contracts in the U.S. state of Michigan from Henry Ford Hospital & Harper Hospital Mobile Lithotripter Inc. The Certificate of Need required for service operations in this region was acquired with the customer contracts. The contracts and Certificate of Need have been reported as intangible assets.

The Group's U.S. 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). The costs for obtaining the approval of P3000 urological systems was reported within intangible assets as distribution rights and amortized in the period from 2004 to 2009.

11. Impairment Testing of Indefinite-lived Goodwill

When testing for other-than-temporary impairment of the goodwill acquired in a business combination, the Company determines the recoverable amount for the cash-generating unit to which the goodwill is allocated on the basis of the value in use. 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 7.0% (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

	2009 €`000	2008 €`000
Claims from deposit payments – long-term	63	324
Claims from financing agreements – long-term	0	129
Other	68	172
	131	**625**

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

The other financial assets are neither past due nor impaired.

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, 2008, 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 U.S. 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 €110k and €100k for the years ended December 31, 2009 and 2008, respectively.

Contributions to government pension schemes in Germany, which have been classified as multi-employer defined contribution plans, were €8k in the reporting year (€9k in the previous year). These contributions were expensed in the income statement.

14. Inventories

	2009 €`000	2008 €`000
Trade goods	985	1,106
Medical equipment	163	362
	1,148	**1,468**

The cost of inventories recognized as an expense in the income statement was €287k and €393k in 2009 and 2008, respectively.

15. Trade and other receivables

	2009 € `000	2008 € `000
Trade receivables	5,206	5,987
Claims on related companies	425	309
	5,631	**6,296**

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, 2009, trade receivables in a principal amount of €333k (2008: €252k) were impaired and fully provided for, claims in a principal amount of €2,084k were past due but not impaired (2008: €2,941k). All write-downs are individual write-downs. Movements in the provision for impairment of receivables were as follows:

	€ `000
At January 1, 2008	**204**
Currency effects	10
Charge for the year	150
Utilized	-112
At December 31, 2008	**252**
Currency effects	-6
Charge for the year	166
Utilized	-79
At December 31, 2009	**333**

At December 31, 2009, the ageing analysis of trade receivables is as follows:

	current	31-60 days	61-90 days	> 90 days	Total
2009 (€ `000)	3,132	1,195	520	692	**5,539**
2008 (€ `000)	3,046	1,319	614	1,260	**6,239**

16. Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and balances with banks and earn 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.

At December 31, 2009, the Group had unused credit facilities in the amount of €2,296k (2008: €2,237k), for which all the necessary prerequisites to drawdown had been met.

17. Issued Capital and Reserves

Authorized

	2009 € `000	2008 € `000
Ordinary shares of € 1 each		6,016
Ordinary shares of € 1,11 each	6,016	
Treasury shares of € 1 each		-341
Ordinary shares of € 1,11 each	-158	
	5,858	**5,675**

The ordinary shares are fully paid in.

UMS AG acquired a total of 601,626 of its own shares in the period from April 25, 2008 to August 17, 2009. Using the authorizations granted by the shareholders' meeting, the Management Board of UMS AG resolved on October 2, 2009 to retire the 601,626 fully paid-up no-par-value shares without decreasing the share capital. Pursuant to § 8 (3) of the German Stock Corporation Act (AktG), the theoretical par value of the remaining shares increased as a result, from €1.00 to €1.11. The Supervisory Board approved the Management Board's resolution on October 7, 2009.

On October 9, 2009, the Management Board of UMS AG, acting with the Supervisory Board's consent, made use of the authorization again and resolved to carry out an additional share buy-back program. The purpose of the second buy-back program is to acquire up to 446,973 shares on the stock exchange over a period of time beginning October 12, 2009 and ending no later than

November 30, 2010. As before, the purpose of the share buy-back is to retire shares. As of the 2009 reporting date, 142,612 own shares had been acquired at an average price of €5.92 each.

The difference between the theoretical par value and purchase price is captured directly on the balance sheet in the line item „accumulated gain.“ The effects of the stock buy-back on the subscribed capital and reserves is presented in detail in the consolidated statement of changes in equity.

The additional paid-in capital includes the excess over par value for the 6 million shares.

Authorized Capital I

The Management Board was authorized, with the consent of the Supervisory Board, to increase the share capital 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 share capital 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 €1.60.

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, 2010. The shares may be acquired via the stock exchange or by way of a public offer to all shareholders. The authorization can be exercised in whole or in part, once or several times.

In the year under review, the Management Board of UMS AG acquired 260,160 of the Company's own shares that it also retired along with the 341,466 shares acquired in the previous year. An additional 142,612 of the Company's own shares were purchased as of the reporting date under a second share buy-back program. The stock buy-back program continued after the reporting date.

18. Interest-bearing Loans and Borrowings

Current	Effective interest rate %	Maturity	2009 T€	2008 T€
Obligations under finance leases and hire-purchase contracts	5 - 12%	2010	951	934
Bank liabilities				
Money market loans in EUR	1M-Euribor + 3.5%	2010	0	250
Bank loans in CLP	Prime + 1.9%	2010	48	4
USD 3,000,000 loan	8%	2010	416	428
USD 3,500,000 loan	Prime + 0.25%	2010	471	486
USD 3,400,000 loan	Prime + 0.25%	2010	485	500
University of Michigan credit note	7.13%	2010	64	62
Mortgage USD	Libor + 2.15%	-	0	82
USD 2,000,000 loan	Libor + 3%	2010	198	
Total			**1,682**	**1,812**

Non-current	Effective interest rate %	Maturity	2009 T€	2008 T€
Obligations under finance leases and hire-purchase contracts	5 - 12 %	2010-2012	1,794	1,856
Bank liabilities				
Bank loans in CLP	Prime + 1.9%	2012	1	252
USD 3,000,000 loan	8%	2011	84	515
USD 3,500,000 loan	Prime + 0.25%	-	0	514
USD 3,400,000 loan	Prime + 0.25%	2011	157	633
University of Michigan credit note	7.13%	-	0	67
Mortage USD	Libor + 2.15%	-	0	1,947
USD 2,000,000 loan	Libor + 3%	2014	1,071	0
Total			**1,313**	**3,928**

For 2008, the table also includes obligations relating to the discontinued operations. Most of these obligations are under mortgage loans.

Line of credit in EUR

This is a €0.3 million credit line that UMS AG has in Germany (2008: €0.6 million) which was unused as of the reporting date. There had been a guarantee from the Group's U.S. subsidiary for the current account line in Germany in the previous year. This guarantee is no longer available.

Bank loans in CLP

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

USD 3,000,000 loan

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, 2009 and will be met according to budget in 2010.

USD 3,500,000 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.

University of Michigan credit note

The Group's U.S. 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 amount of the liability therefore has been discounted accordingly.

Mortgage financing in USD

The mortgage financing is secured by the related building and was repaid in 2009 after the property was sold.

USD 2,000,000 loan

This loan, which finances the purchase of contracts and regulatory approvals related to the urology segment in the State of Michigan, is payable in 60 monthly installments until December 2014.

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

19. Accruals/Provisions

	Balance at Jan. 1, 2009 €`000	Currency transl. adjustm. €`000	Used during the year €`000	Reversed during the year €`000	Made during the year €`000	Balance at Dec. 31, 2009 €`000
Outstanding invoices	127	-4	123	0	121	121
Legal and consulting fees	81	-1	80	0	110	110
Audit fees	133	-2	125	0	228	234
Interest	6	0	6	0	6	6
Outstanding vacation	250	-7	20	0	89	312
Rent	1	0	1	0	12	12
Earn-out	0	0	0	0	77	77
Bonuses	4	0	4	0	4	4
Severance payments	29	6	0	0	10	45
Guarantees and Removal Fes	0	0	0	0	130	130
Other	96	-1	67	6	65	87
Total	**727**	**-9**	**426**	**6**	**852**	**1,138**

All accruals are current. The earn-out provision relates to a transaction that took place in the reporting year (see Note 3). The provision for severance payments relates to existing obligations under employment contracts. The provision for guarantees and removal fees relates to winding up the former activities in Europe and to the insolvency of a former Group company.

20. Trade and other payables (current)

	2009 €`000	2008 €`000
Trade payables	1,251	1,593
Other payables	408	274

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.

A manufacturer leased medical systems to the UMS Group free of charge in 2009. In return, the UMS Group agreed to purchase this manufacturer's machines and disposable items on an exclusive basis for one of its divisions going forward. An agreement with a five-year term was executed. The UMS Group capitalized the equipment at fair value and created an „other liability" of this same amount (€798k), with €174k reported under other current liabilities and €624k under other non-current liabilities.

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 United States, 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 overview below shows all the assets under finance leases, including for 2008 those attributable to the business unit that was sold in 2009:

	2009 €`000	2008 €`000
Machinery and equipment	10,192	10,684
Accumulated depreciation	5,990	5,303
Net book value	4,202	5,381

The future minimum lease payments for the aforementioned finance leases are as follows:

	2009 €`000	2008 €`000
Within one year	1,081	1,082
After one year but no more than 5 years	1,940	2,018
More than 5 years	3,021	3,100
Total minimum lease obligations	-276	-310
Interest	2,745	2,790

Representing finance lease liabilities:

	2009 €`000	2008 €`000
- current	951	934
- non-current	1,794	1,856

Lessee - operating lease

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

Rent expense consisted of the following:	2009	2008
	€ `000	€ `000
	229	224

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

	2009	2008
	€ `000	€ `000
Within one year	233	241
After one year but no more than 5 years	609	762
	842	**1,003**

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:

	2009	2008
	€ `000	€ `000
Within one year	118	118
After one year but no more than 5 years	144	253
After 5 years	0	0
	262	**371**

Due to the lessee's insolvency, the Group does not expect to realize these claims.

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, 2009, 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 improbablet.

22. Related party disclosures

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

In addition, the 2009 income statement includes the pro rata income and expenses of UMS GmbH, which was liquidated in the year under review.

Name	Headquarters	Share in capital	Equity Dec. 31, 2009 €	Earnings 2009 €
UMS Chile S.A.	Quilicura, Chile	75%	996,389,06	167,228,14
UMS (DE) Inc.	Delaware, USA	100%	15,628,092,65	2,796,509,70
UMS Canada Inc. 1)	Ontario, Canada	100%	242,722,64	13,362,74
UMS Andover MGMT Inc.1)	Massachusetts, USA	100%	0.00	0.00
ASC LP 1)	Massachusetts, USA	20%	850,802,60	1,315,477,25
Great Lakes Lithotripsy, LLC 1)	Michigan, USA	25%	4,176,636,21	4,033,794,89
UMS TN LP 1)	Tennessee, USA	51%	35,487,20	31,060,51
Michigan CON LLC 1)	Delaware, USA	100%	1,928,132,71	196,231,08
UMS Litho Management LLC 1)	Tennessee, USA	100%	1,399,044,58	967,521,27
UMS Beaver LLC 2)	Delaware, USA	20%	89,486,40	180,273,96
UMS CT LP 2)	Connecticut, USA	40%	704,672,96	1,026,660,76
UMS Finger Lakes LLC 2)	New York, USA	20%	26,345,32	43,375,22
UMS FL LP 2)	Florida, USA	20%	198,320,68	492,336,91
UMS NE LP 2)	Massachusetts, USA	15%	582,208,13	1,059,026,93
UMS NH LP 2)	New Hampshire, USA	10%	135,826,20	177,289,39
UMS Garden State LP 2)	New Jersey, USA	100%	-17,623,32	0.00
UMS Westchester LLC 2)	Delaware, USA	51%	139,195,18	47,258,84
UMS Smyth County LLC 2)	Delaware, USA	25%	7,426,19	12,119,59
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%	126,409,50	137,258,04
UMS Mishawaka, LLC 2)	Delaware, USA	25%	73,880,58	166,521,00
UMS Albany, LLC 2)	Delaware, USA	20%	0,00	-18,372,01
UMS Morgantown, LLC 2)	Delaware, USA	20%	32,239,79	64,103,32
UMS Rochester, LLC 2)	Delaware, USA	20%	44,474,92	85,942,01
UMS Capital District, LLC 2)	Delaware, USA	20%	27,468,92	26,913,42
UMS South Bend, LLC 2)	Delaware, USA	20%	25,094,83	11,239,61
UMS Framingham, LLC 2)	Delaware, USA	20%	46,164,57	46,164,57
UMS Essex County, LLC 2)	Delaware, USA	10%	18,467,19	23,662,90
UMS Chesapeake LLC 2)	Delaware, USA	100%	803,510,97	75,464,08
UMS Chesapeake Lithotripsy, LLC 4)	Delaware, USA	25%	845,915,10	301,856,31
Heritage Medical Services of Maryland Inc. 4)	Tennessee, USA	100%	162,253,98	0,00
Health South of Chesapeake Inc. 4)	Delaware, USA	100%	273,509,97	0,00

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.

Where ownership interest is below 50%, subsidiaries were included in the Group's financial statements, 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, 2009, 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 2009, the compensation paid to the Management Board totaled €190k (2008: €176k). Of this amount, €157k was not linked to performance (2008: €150k). The performance-related component was €33k (2008: €26k)

(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

H.I.G. European Capital

Partners GmbH, Hamburg

Other supervisory board positions:

Smart Fuel Cell AG, Munich

Dr. h.c. Norbert Heske, Kottgeisering

Engineer

Managing Director of the BIP Biomed.-Instrumente und Produkte GmbH, Türkenfeld

Prof. Thomas J.C. Matzen, Hamburg

Diplom-Kaufmann (MBA)

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

Other supervisory board positions:

Pricap Venture Partners AG, Hamburg
Bio Agency AG, Hamburg
Norgenta GmbH, Hamburg
KlimaINVEST GmbH & Co. KGaA
First Climate AG, Bad Vilbel

Supervisory Board Compensation

(a) Directors' total remuneration approximated €40k in 2009 and 2008.

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

	direct	indirect
Wolfgang Biedermann	60,000	408,909
Dr. h.c. Norbert Heske	50,203	50,203

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, mortgages and credit lines, finance leases and hire-purchase contracts as well as trade payables. The main purpose of these financial liabilities is to provide funds for the Group's operations. The Group has various financial assets, such as trade receivables as well as 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 2009 and 2008 and will also be true in the future.

The Group is subject to market, credit and liquidity risks. Market risk mainly includes the risk of interest rate changes and foreign currency risks.

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 United States. The Group's guidelines provide for fixed interest rates for all equipment financing. 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 hedging 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 and the resulting impact on floating rate borrowings and interest rate derivatives. There is no impact on the Group's equity

	€ `000	
2009		
Euro zone	+100	11
USD zone	+100	-7
Euro zone	-50	-6
USD zone	-50	4
2008		
Euro zone	+100	22
USD zone	+100	-44
Euro zone	-50	-11
USD zone	-50	22

Foreign currency risk

Although the Group has a significant investment in the United States, 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 U.S. dollar rate	Effect on profit before tax
	€/USD	€ `000
2009		
	+ 10%	-483
	- 10%	590
2008		
	+ 10%	-391
	- 10%	478

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 counterparty, with a maximum exposure equal to the carrying amount of these instruments. There are no significant concentrations of credit risk within the Group.

The credit risk arising from balances at financial institutions is actively monitored and managed on an ongoing basis, particularly in view of the current financial market developments.

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, 2009 credit facilities in a volume of €2.4 million were available to the Group, of which €0.1 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, 2009 based on contractual undiscounted payments.

Year ended December 31,2009	Less than 1 year €`000	1 to 5 years €`000	>5 years €`000	Total €`000
Trade payables	1,251	0	0	1,251
Bank liabilities	1,682	1,313	0	2,995
Finance leases	1,081	1,940	0	3,021
Other liabilities	408	624	0	1,032
Year ended December 31,2008	Less than 1 year €`000	1 to 5 years €`000	>5 years €`000	Total €`000
Trade payables	1,593	0	0	1,593
Bank liabilities	1,812	2,228	1,700	5,740
Finance leases	1,082	2,018	0	3,100
Other liabilities	274	0	0	274

The amounts provided for 2008 include the long-term mortgage loan (term over 5 years) that was repaid at the end of 2009 when the business unit was sold (see Note 7).

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 and 50% of goodwill). The equity ratio as defined in the previous sentence must be over 0.22.

	2009 €`000	2008 €`000
Modified equity	22,736	20,808
Modified total assets	33,213	32,778
Equity ratio	68 %	63 %

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	
	2009 €`000	2008 €`000	2009 €`000	2008 €`000
Cash	5,281	3,559	5,281	3,559
Loans and receivables	5,629	6,648	5,629	6,648
Available-for-sale Investments	815	651	815	651

Financial Liabilities	Carrying amount		Fair value	
	€`000 2009	€`000 2008	€`000 2009	€`000 2008
Trade payables	1,251	1,593	1,251	1,593
Other financial liabilities at amortized cost	6,751	8,792	6,751	8,792
Derivatives	-10	-21	-10	-21

The net gain/loss from financial instruments amounted to:

Financial Assets	Net gains/ losses	
	2009 €`000	2008 €`000
Cash	0	21
Loans and receivables	-384	-109
Available-for-sale Investments	31	0
Derivatives	-14	-30

Financial Liabilities	Net gains/ losses	
	2009 €`000	2008 €`000
Trade payables	-518	-733

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique::

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

The UMS Group measured an interest rate swap at fair value. This was a Level 2 measurement.

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 0.700%. 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 (€-10k) at the balance sheet date.

In addition, the Group's U.S. 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 3.25%.

Hamburg, March 18, 2010

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, 2009 to December 31, 2009. 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, 2010

Ernst & Young AG
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft

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

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

Glossary

ASC LP	Andover Surgery Center, LP, Andover, USA
Chesapeake Lithotripsy Associates, LP	Chesapeake Lithotripsy Associates, LP, Maryland, USA
Chesapeake Lithotripsy Enterprises, LP	Chesapeake Lithotripsy Enterprises, LP, Maryland, USA
Chesapeake Lithotripsy Partners, LP	Chesapeake Lithotripsy Partners, LP, Maryland, USA
Chesapeake Lithotripsy Ventures, LP	Chesapeake Lithotripsy Ventures, LP, Georgia, USA
Chesapeake Lithotripsy West, LP	Chesapeake Lithotripsy West, LP, Georgia, 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, LLC, Michigan, USA
Health South of Chesapeake Inc.	Health South of Chesapeake, Inc., Delaware, USA
Heritage Medical Services of Maryland Inc.	Heritage Medical Services of Maryland, Inc., Tennessee, USA
Metroscan LLC	Metroscan of Richardson LLC, Texas, USA
Michigan United MRI Services LLC	Michigan United MRI Services LLC, Massachusetts, USA
MoBx Corporation	MOBX CORPORATION, California, USA
MRI Ireland Ltd.	Magnetic Resonance Imaging Ireland Ltd., Dublin, Irland
Neuromed Italia	Neuromed Italia S.r.l., Padova, Italien
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, Niederlande
UMS Beaver LLC	UMS Beaver Associates LLC, Delaware, USA
UMS Binghamton LLC	UMS Services of Binghamton LLC, Delaware, USA
UMS Canada Inc.	United Medical Systems Canada Inc., Ontario, Kanada
UMS Chesapeake LLC	UMS Chesapeake LLC, Delaware, USA
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 Smyth County LLC	UMS Urology Services of Smyth County 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

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 in-struments

Brachy-Therapy

A type of minimally invasive radioactive procedure used in the early treatment of localized prostate carcinoma

Carcinoma

Malignant tumor

Cardiology

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

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. Second-largest business segment of the UMS-Group.

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.

Radiology

Branch of medicine that deals with diagnosing the human body by using x-ray. Smallest 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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