UMS
UNITED MEDICAL SYSTEMS

QUARTERLY FINANCIAL REPORT
JANUARY 1 TO MARCH 31, 2013

Q1 2013

Key Indicators

in mill. EUR	Jan 1 to Mar 31, 2013	Jan 1 to Mar 31, 2012	Change in %
Revenues	10.0	10.5	-5 %
Gross Profit	4.7	5.2	-10 %
in %	47 %	50 %	
Depreciation and Amortization	1.0	1.0	0 %
EBITDA	3.8	4.4	-14 %
in %	38 %	42 %	
EBIT	2.8	3.4	-18 %
in %	28 %	32 %	
Profit for the year	2.4	2.7	-11 %
in %	24 %	26 %	
Earnings per share (in EUR)	0.12	0.16	-25 %

in mill. EUR	Mar 31, 2013	Dec 31, 2012	
Number of employees	221	220	0 %
Net financial position	-0.5	-0.5	0 %
Total equity	22.6	21.6	5 %
Outsanding Shares (in thousands)	4,758	4,758	0 %
Market Capitalisation	48.7	44.5	9 %

FINANCIAL CALENDAR	
3-Month Report 2013	May 14th, 2013
Annual Shareholders' Meeting 2013, Hamburg	June 6th, 2013
6-Month Report 2013	August 13th, 2013
9-Month Report 2013	November 12th, 2013
Analyst Conference, Deutsches Eigenkapitalforum, Frankfurt/Main	November 12th, 2013

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Letter to the Shareholders

Dear Shareholders,

UMS AG has gotten off to a subdued start in the new year. However, in the first three months of 2013, we have already initiated a range of significant actions for the future growth of our Company.

We have entered into additional long-term contracts in the Urology and Gynecology segments, which should stop the downward trend in Gynecology. In that segment we have also deployed the first units using the new ultrasound technology. With this new breast biopsy method we increased our treatment numbers significantly in the first quarter.

Overall the economic environment for the Gynecology segment, which primarily involves preventive check-ups, has not improved. So that we will not be so dependent on such external factors beyond our control, we have worked hard to improve efficiency. The initial success of this work should be reflected in improved margins in the course of this fiscal year.

In the first quarter, however, revenues and earnings declined in both our largest segment, Urology, and in Gynecology. Total revenues from all segments were down 5 % from the very strong first quarter of the previous year. Earnings per share amounted to EUR 0.12 in the first three months of 2013, compared with EUR 0.16 in the prior-year period.

Overall the first quarter developed in line with our ambitious targets for 2013, and thus our outlook for 2013 remains very optimistic.

We expect revenues to reach EUR 43 to EUR 45 million in the 2013 fiscal year, and we are projecting earnings per share within a range between EUR 0.60 and EUR 0.65.

Despite the somewhat sluggish first-quarter performance, the outlook for the full 2013 fiscal

Jørgen Madsen
Chief Executive Officer

year remains positive, and therefore the Management Board and the Supervisory Board will propose to the shareholders' meeting that a 10 % higher dividend of EUR 0.55 per share should be distributed to you, our shareholders. This amounts to a total of approximately EUR 2.6 million.

I would like to thank all employees for their performance. With their hard work and expertise they have contributed significantly to the Company's financial success. I would also like to thank our shareholders, customers and business partners for their confidence and their support.

I look forward to welcoming many of you in person at our shareholders' meeting in Hamburg on June 6, 2013.

Sincerely

Jørgen Madsen
CEO

INTERIM GROUP MANAGEMENT REPORT FOR 2013

Earnings Position of the Group and the Segments

The UMS Group has gotten off to a subdued start in the new fiscal year 2013. The slight downwards trend in revenues and in treatment numbers from the fourth quarter of 2012 continued in the first quarter of this year, in both the Urology and the Gynecology segments. In the other segments, which were primarily carried by MRI, the very good result of the prior year was reached and even slightly exceeded. In addition, the change in the euro/dollar exchange rate adversely affected earnings.

As a result, earnings per share amounted to EUR 0.12 in the first three months of 2013, compared with EUR 0.16 in the prior-year period.

Revenues down 5 %

Total consolidated revenues from all operating segments in the first three months of 2013 amounted to around EUR 10 million, up from EUR 10.5 million in the same period of the previous year. This represents a decrease of EUR 0.5 million, or 5 %, compared to the prior-year period. It was slightly affected by the change in the exchange rate during the first quarter of 2013, when the euro was worth USD 1.32 on average, as opposed to USD 1.31 in the same quarter the year before. When adjusted for this effect, the decrease in revenues remained at EUR 0.5 million or 5 %.

The individual segments performed as follows:

			Change	
in kEUR	Q1/2013	Q1/2012	absolute	as %
Urology	6,990	7,236	-246	-3
Gynecology	2,614	2,877	-263	-9
All other segments	398	428	-30	-7
Revenues	**10,002**	**10,541**	**-539**	**-5**

Urology: Cases per day and treatment days decline for the first time

Revenues in the Group's Urology segment thus decreased slightly in the three-month comparison, from EUR 7.2 million in the previous year to EUR 7.0 million in the current fiscal year.

Neither of the treatment fields in Urology saw a continuation of the positive growth recorded in the preceding quarters. The numbers of cases per day and of treatment days fell in both services relating to kidney stone destruction using ultrasound technology (lithotripsy) and the mobile deployment of urological lasers.

Gynecology segment remains difficult

The negative trend in **Gynecology** in the past few months has not yet been reversed. Revenues in this difficult segment fell by EUR 0.3 million to EUR 2.6 million, from EUR 2.9 million in the previous year. This represents a decrease of 9 %.

Mixed picture in Radiology

The “Other segments” category includes all smaller operating segments of the UMS Group, which at this time mainly includes our service offerings in the Radiology and Oncology treatment fields.

The treatment numbers in radiology diagnostics with our mobile MRI equipment, which has a material impact on the other segments, also fell slightly. However, this effect was more than compensated by significantly higher revenues per treatment, so that the revenues in the other segments were slightly under the previous year's figure (kEUR -30). On the other hand, the segment result increased slightly (kEUR 10).

Analysis of the income statement

Gross profit fell by EUR 0.5 million or 10 %, from EUR 5.2 million to EUR 4.7 million. As a result of fixed costs, the gross profit margin also sank, from 50 % to 47 % of sales.

Selling and administrative expenses remained at the same level as last year, although selling expenses fell slightly while administratively increased somewhat.

Overall therefore, the Group’s EBIT, at EUR 2.8 million, was 18 % lower than the prior-year period figure of EUR 3.4 million.

Accordingly, net income fell by 11 %, from EUR 2.7 million to EUR 2.4 million.

Because the Urology segment was also affected by the downturn in business, the share of net income attributable to non-controlling interests – namely our urologist partners – fell slightly, from EUR 2.0 million to EUR 1.9 million.

The share of net income attributable to the Group's shareholders, at EUR 0.5 million, was thus EUR 0.2 million or 28 % less than the previous year's figure of EUR 0.7 million. Earnings per share (EPS) fell to EUR 0.12 in the first quarter of 2013, down EUR 0.04 from the previous year's figure.

Financial Condition and Assets and Liabilities

The financial condition and assets and liabilities of the UMS Group reflect a clearly positive picture in comparison to the earnings position. Changes in the items on UMS AG's balance sheet are initially influenced by the EUR/USD exchange rate prevailing on the reporting dates being compared. Whereas the euro was worth USD 1.32 at the end of 2012, it stood at USD 1.28 as of March 31, 2012.

Current assets declined slightly, from EUR 14.1 million at the beginning of the quarter to EUR 13.9 million. If the exchange rate effect is ignored, this decrease was EUR 0.4 million greater.

At EUR 18.9 million, non-current assets remained at the same level as at the beginning of the quarter. This is mainly influenced by exchange rate effects and a low level of investment activity by comparison with the effect of depreciation and amortization. If the exchange rate effect is ignored, there was a decrease of EUR 0.8 million.

At EUR 4.2 million, current liabilities reported at the end of the first quarter of 2013 were EUR 0.8 million lower than the EUR 5.0 million reported at the beginning of the year. If the exchange rate effect is ignored, the decrease amounted to EUR 1.0 million. Long-term liabilities fell by EUR 0.3 million, from EUR 6.3 million to EUR 6.0 million. Excluding the exchange rate effect, the decrease amounted to EUR 0.5 million.

Because of the significant decrease in non-interest-bearing liabilities, the net financial position remained unchanged at the very low level of EUR 0.5 million.

Shareholders' equity increased from EUR 21.6 million to EUR 22.6 million at March 31, 2013. This increase of EUR 1.0 million was partly attributable to the Q1 net income of EUR 0.5 million, whereas the other EUR 0.5 million was attributable to the exchange rate effects described above. The equity ratio increased again, from the already high 66 % at the beginning of the year, to 69 % at the end of the first quarter.

Because of the strong reduction in short-term, non-interest-bearing liabilities, the operating cash flow of EUR 3.8 million in the first quarter of 2012 fell to EUR 2.3 million in the past quarter.

Cash flow from investing activities amounted to EUR 0.1 million in Q1 2013, i.e., the same amount as in the previous year. This outflow was again due to minor capital expenditure on replacements.

The overall financing activity led to cash outflows in the first three months of 2013 in the amount of EUR 2.7 million (previous year: EUR 3.9 million). In the previous year this item was affected by the stock buyback program carried out at that time.

Forecast, Opportunities and Risk Report

The Company has no information that would result in a change in the material forecasts and other statements provided in the last Group management report regarding the Group's development during the fiscal year. The statements made in the 2012 Annual Report on the opportunities and risks of the business model remain unchanged.

Outlook

The fiscal year is off to a subdued start, but it is proceeding according to plan. Various measures on both the sales and the operating sides are beginning to bear fruit, so that we continue to expect that we will be able to meet our ambitious goals this year. Our forecast assumes that the EUR/USD exchange rate and energy and fuel costs will remain stable.

For the coming months, we expect a return to robust organic growth in the urological treatment fields in both North and South America.

In addition, a reversal of the negative trend of the past few months in the gynecology segment is emerging.

In the field of radiology we will continue our efforts to improve use of our capacity and as it improves, will invest in an additional unit in the course of the coming year.

Overall, therefore, we still stand by our forecast of consolidated revenues of between EUR 43 and EUR 45 million in fiscal year 2013. We continue to expect earnings per share of between EUR 0.60 and EUR 0.65.

Consolidated Balance Sheet

as of March 31, 2013 and December 31, 2012

ASSETS

in kEUR	31.03.2013	31.12.2012
Current assets		
Cash and cash equivalents	5,733	6,235
Trade accounts receivable	5,929	6,125
Inventories	1,040	1,020
Prepaid expenses and other current assets	1,194	699
Total current assets	**13,896**	**14,079**
Non-current assets		
Property, plant and equipment	8,123	8,111
Intangible assets	10,394	10,369
Other fiancial assets	256	228
Goodwill	74	74
Deferred taxes	96	93
Total non-current assets	**18,943**	**18,875**
Total assets	**32,839**	**32,954**

LIABILITIES AND EQUITY

in kEUR	31.03.2013	31.12.2012
Current liabilities		
Trade accounts payable	955	1,374
Liabilities due to banks	928	1,242
Leasing obligations	778	746
Other current liabilities	533	506
Other accrued expenses	1,001	1,155
Total current liabilities	**4,195**	**5,023**
Non-current liabilities		
Liabilities due to banks	2,984	3,122
Leasing obligations	1,528	1,647
Other non-current liabilities	126	190
Deferred Taxes	1,401	1,359
Total non-current liabilities	**6,039**	**6,318**
Equity		
Share capital	5,874	5,874
Additional paid-in capital	8,340	8,340
Cumulative translation adjustment	-4,876	-5,365
Accumulated gain	6,651	6,103
Equity attributable to parent company	**15,989**	**14,952**
Non-controlling interests	6,616	6,661
Total equity	**22,605**	**21,613**
Total liabilites and equity	**32,839**	**32,954**

Consolidated Income Statement

for the period of January 1st - March 31, 2013 and 2012

in kEUR	Jan 1 to Mar 31, 2013	Jan 1 to Mar 31, 2012
Revenues	10,002	10,541
Cost of revenues	-5,313	-5,316
Gross profit	**4,689**	**5,225**
Distribution and selling expenses	-623	-704
General and administrative expenses	-1,279	-1,199
Other operating income and expenses	24	41
Operating result	**2,811**	**3,363**
Interest income	5	1
Interest expenditure	-66	-112
Result before taxes and non-controlling interests	**2,750**	**3,252**
Other taxes	0	0
Income taxes	-327	-517
Profit for the year	**2,423**	**2,735**
attributable to Equity holders of the parent	548	746
attributable to Non-controlling interests	1,875	1,990

Net income per share	in EUR	
Net income per share (basic)	0.12	0.16
Net income per share (diluted)	0.12	0.16

	in thousands	
Weighted average shares outstanding (basic)	4,758	4,758
Weighted average shares outstanding (diluted)	4,758	4,758

Consolidated Statement of Comprehensive Income

for the period of January 1st - March 31, 2013 and 2012

in kEUR	Jan 1 to Mar 31, 2013	Jan 1 to Mar 31, 2012
Profit for the year	**2,423**	**2,736**
Exchange differences on translation of foreign operations	489	-325
Total comprehensive income for the year, net of tax	**2,912**	**2,411**
thereof attributable to Non-controlling interests	1,875	1,990

There are no tax effects on translation of foreign operations.

Consolidated Statement of Changes in Equity

in kEUR	Share Capital	Additional Paid-in Capital
Balance January 1, 2012	**6,016**	**8,340**
Buy-Back of own Shares	-142	
Comprehensive Income		
Distribution in subsidiaries		
Balance March 31, 2012	**5,874**	**8,340**
Balance January 1, 2013	**5,874**	**8,340**
Buy-Back of own Shares	0	
Comprehensive Income		
Distribution in subsidiaries		
Balance March 31, 2013	**5,874**	**8,340**

Currency Transition Adjustment	Accumulated gain/deficit	Equity parent company	Non-controlling interests	Total Equity
-5,270	**6,687**	**15,773**	**6,473**	**22,246**
	-592	-734		-734
-325	746	421	1,990	2,411
			-1,947	-1,947
-5,595	**6,841**	**15,460**	**6,516**	**21,976**
-5,365	**6,103**	**14,952**	**6,661**	**21,613**
	0	0		0
489	548	1,037	1,875	2,912
		0	-1,920	-1,920
-4,876	**6,651**	**15,989**	**6,616**	**22,605**

Consolidated Cash Flow Statement

for the period of January 1st - March 31, 2013 and 2012

in kEUR	Jan 1 to Mar 31, 2013	Jan 1 to Mar 31, 2012
Profit for the year	**2,423**	**2,736**
Adjustment to reconcile profit for the year to net Cash Flows		
Profit(-)/Loss(+) from sale of equipment	-35	-32
Depreciation on property, plant and equipment	664	685
Depreciation on intangible assets	287	355
Change in deferred taxes, net	42	-47
Working Capital adjustments		
Increase(-)/Decrease(+) in trade receivables	382	993
Increase(-)/Decrease(+) in prepaid expenses and other current assets	-741	-659
Increase(-)/Decrease(+) in inventories	11	109
Increase(+)/Decrease(-) in trade payables	-461	-32
Increase(+)/Decrease(-) in liabilities related to taxes	0	177
Increase(+)/Decrease(-) in other accrued expenses and current liabilities	-247	-444
= Net cash provided by operating activities	**2,325**	**3,840**
Purchases of property, plant and equipment, net of finance leasing	-127	-123
Proceeds from the sale of equipment	36	63
= Net cash used for investing activities	**-91**	**-60**

in kEUR	Jan 1 to Mar 31, 2013	Jan 1 to Mar 31, 2012
Payments for Buy-Back of own shares	0	-734
Dividends paid to non-controlling interests	-1,920	-1,947
Repayments to bank (long term)	-233	-332
Net Change in Lease liabilities	-160	-273
Repayment to banks (short term)	-352	-554
= Net cash used in financing activities	**-2,665**	**-3,840**
Net effect of currency translation in cash and cash equivalents	-71	172
Net increase/decrease in cash and cash equivalents	**-502**	**112**
+ Cash and cash equivalents at beginning of period	6,235	5,889
= Cash and cash equivalents at end of period	**5,733**	**6,001**
Relevant non-cash transactions		
Purchases of property, plant and equipment financed by finance lease	-35	-120

Notes

to the quarterly financial report as of March 31, 2013

1. Accounting policies

Like the consolidated financial statements for the 2012 fiscal year, the quarterly report for the period ended March 31, 2013 was prepared in accordance with the International Financial Reporting Standards (IFRS) that are applicable and required to be adopted.

The following information should be read in conjunction with the audited consolidated financial statements, accompanying notes, and management report for the 2012 fiscal year contained in our annual report.

For the purpose of interim reporting, the same accounting policies as those explained in the notes to the 2012 annual financial statements and, additionally, IAS 34 "Interim Financial Reporting" have been applied. The UMS Group has also adopted new or revised Standards that are binding for the reporting period. New or revised Standards have not had any material impact on the interim report of UMS AG.

2. Changes in the Group

The Group companies included in the consolidated financial statements remain unchanged compared with December 31, 2012.

3. Segment reporting

The following tables provide an overview of the revenues and the result of the segments of the UMS Group for the first quarter of 2013 and the first quarter of 2012. The segment reporting of the UMS Group follows the management approach, which means that it is based on internal organization and reporting structures.

SEGMENT REVENUES

in kEUR	Q1/2013	Q1/2012
Urology	6,990	7,236
Gynecology	2,614	2,877
All other segments	398	428
Segment revenues	**10,002**	**10,451**

SEGMENT RESULT

in kEUR	Q1/2013	Q1/2012
Urology	2,285	2,487
Gynecology	419	632
All other segments	109	99
Segment result	**2,813**	**3,218**

The UMS Group uses the segment result as a key indicator of performance from the standpoint of the Group's owners. Therefore, this is a result after non-controlling interests held by the physician partnerships. These shares of the earnings of shareholders without a controlling influence have therefore already been subtracted from the segment result.

Accordingly, reconciliation of the total profit/loss of the segments to the Group's profit is as follows:

RECONCILIATION FROM THE CUMULATIVE RESULT OF THE SEGMENTS TO THE GROUP'S RESULT FOR THE PERIOD

in kEUR	Q1/2013	Q1/2012
Cumulative result of the reportable segments	2,813	3,218
Non-controlling interests in the segment result	1,875	1,990
Selling expenses	-623	-704
General and administrative expenses	-1,279	-1,199
Other operating income and expenses	24	41
Other reconciliation to the Group	1	17
Group EBIT	**2,811**	**3,363**
Financial result	-60	-111
Taxes	-327	-517
Consolidated profit for the year	**2,423**	**2,735**

4. Events after the balance sheet date

There have been no post-balance-sheet events that could have a material effect on the Company's financial position, assets and liabilities or results of operations and would thus have to be reported here.

5. Shares held by board members

	No. of shares	
Name	**direct**	**indirect**
Management Board		
Jørgen Madsen	320,965	0
Supervisory Board		
Wolfgang Biedermann	0	397,214
Dr. h. c. Norbert Heske	48,703	48,703

Imprint

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Forward-looking statements
This report contains forward-looking statements. These statements are based on current estimates and currently available information. They are not guarantees of future performance, involve certain risks and uncertainties that are difficult to predict, and are based upon assumptions as to future events that may not be accurate. Many factors could cause the actual results, performance or achievements of UMS AG to be materially different from those that may be expressed or implied by such statements. We do not assume any obligation to update the forward-looking statements contained in this report.

Variances for technical reasons
For technical reasons (e.g. conversion of technical formats) there may be variances between the accounting documents contained in the financial statements and management report and those submitted to the electronic Federal Gazette (Bundesanzeiger). In this case, the version submitted to the electronic Federal Gazette shall be binding.

This English version is a translation of the original German version; in the event of variances, the German version shall take precedence over the English translation.

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