

MERGE TECHNOLOGIES INC  
Form ARS  
April 12, 2004

[PICTURE]

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I n t e r c o n n e c t i o n s  
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2003 ANNUAL REPORT  
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[MERGE EFILM LOGO]

Merge eFilm is a global healthcare software and services company focused on accelerating the productivity of imaging centers, small to medium-sized hospitals, and clinics. We provide a suite of RIS/PACS solutions that efficiently integrate, streamline and distribute business and clinical information and medical images across the healthcare enterprise. Since 1987, Merge eFilm has leveraged its healthcare integration experience to create workflow solutions that improve our customers' productivity and enhance the quality of care they provide.

[PICTURE]

[GRAPHIC]

Revenue

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2003                   \$28,677,000  
2002                   \$20,786,000  
2001                   \$15,741,000

Operating Margin

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2003                                 24%  
2002                                 18%  
2001                                 8%

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Financials at a Glance  
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Earnings Per Share

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2003                                 \$0.49  
2002                                 \$0.33  
2001                                 \$0.15

Net Cash From Operations

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2003	\$10,398,000
2002	\$ 3,805,000
2001	\$ 1,899,000