

Geratherm®

*SOLUTIONS
FOR A
HEALTHY
WORLD*

Half-yearly Report 2013

GERATHERM

AT A GLANCE

Group financial ratio	January-June 2013	January-June 2012	Change
Turnover	8,698 TEUR	7,860 TEUR	10.7 %
Including export share	7,650 TEUR	6,863 TEUR	11.5 %
Export rate	88 %	87 %	1.1 %
Gross result (EBITDA)	1,009 TEUR	545 TEUR	85.2 %
EBITDA-Margin	11.6 %	6.9 %	68.1 %
Depreciation	-407 TEUR	-372 TEUR	9.3 %
Operating results (EBIT)	602 TEUR	173 TEUR	248.6 %
EBIT margin	6.9 %	2.2 %	213.6 %
Financial results	142 TEUR	369 TEUR	-61.5 %
Result of ordinary activities	744 TEUR	542 TEUR	37.2 %
Net earnings of the parent company's shareholders in the period concerned	589 TEUR	453 TEUR	29.8 %
Long-term assets	5,423 TEUR	5,822 TEUR	-6.9 %
Short-term assets	21,574 TEUR	17,510 TEUR	23.2 %
Balance sheet total	26,997 TEUR	23,332 TEUR	15.7 %
Equity capital	18,442 TEUR	17,491 TEUR	5.4 %
Return on equity	6.4 %	5.2 %	23.3 %
Equity ratio	68.3 %	75.0 %	-8.9 %
Cash and securities	12,956 TEUR	7,866 TEUR	64.7 %
Result per share pursuant to IFRS (EPS)*	0.12 EUR	0.09 EUR	33.3 %
Result per share pursuant to DVFA*	0.12 EUR	0.09 EUR	33.3 %
Number of employees at end of the period	118	143	-17.5 %
No-par shares	4,949,999	4,949,999	-
* compared to registered shares in circulation	4,949,999	4,949,999	-

Business performance from 1 January to 30 June 2013

- Sales proceeds 8.7 m EUR +10.7%
- Gross period earnings (EBITDA) 1,009 TEUR +85.2%
- Operating results (EBIT) 602 TEUR +248.6%
- Result of normal business activity 744 TEUR +37.2%
- Earnings after taxes (EAT) 589 TEUR +29.8%
- New business divisions generate growth

Dear Geratherm Medical shareholders and other interested parties,

The positive Geratherm Medical sales and earnings trend continued into the second quarter 2013 and across all business divisions: we achieved sales growth of +10.7% for the first six months. Sales growth for the second quarter was +15.6%. The main growth drivers in the first half-year were the new business divisions of Respiratory (+73.4%), Medical Warming Systems (+52.3%) and Cardio/Stroke (+66.9%). At -0.3%, sales in the Healthcare Diagnostic sector remained at the level of the previous year.

Export earnings amounted to 88.0%, with markets in Europe (+29.7%), the Middle East (+26.3%) and the USA (+20.0%) all developing positively for Geratherm. However, the market in South America declined by -11.9%.

The second quarter was weaker than the first three months of the year in terms of earnings. However, in comparison with the previous year, we considerably enhanced our earning quality. The EBITDA gross income rose in the second quarter to 387 TEUR (+71.8%), while EBIT operating results rose to 180 TEUR (p.y. 25 TEUR).

In the second quarter, a positive financial result of 193 TEUR (p.y. 327 TEUR) was recorded. After deducting taxes on corporate income and business profits, the second quarter revealed a consolidated net income of 339 TEUR (p.y. 308 TEUR). Excluding minority interests, earnings after taxes rose in the second quarter to 334 TEUR (p.y. 321 TEUR) or 7 cents per share (p.y. 6 cents).

Facts and figures

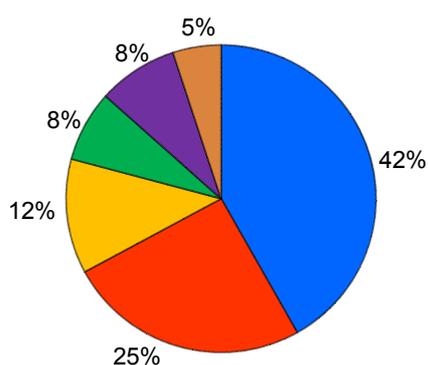
(in TEUR)

	II/13	I/13	IV/12	III/12	II/12
Turnover	4,324	4,374	4,276	3,834	3,742
EBITDA	8.9 %	14.2%	23.7%	4.1%	6.0%
EBIT	180	422	822	-38	25
EPS (EUR)	0.07	0.05	0.12	0.03	0.06
Cash flow	216	611	977	135	250

Sales trend

The trend of Geratherm Medical sales was positive in individual regions, excluding the market in South America. In Europe and the US we identified significant demand for clinical thermometers, while new product registrations in the Middle East boosted sales. In Germany, for the first time in a long while, sales grew positively. However, supply bottlenecks for certain products and devaluations of the Brazilian real meant we had to record a decline of 11.9% in the South American market for the first six months.

Turnover based on region 1.01. - 30.06.2013



	As at 30.06.2013 TEUR	As at 30.06.2012 TEUR	
Europe	3,638	2,806	+29.7 %
South America	2,199	2,496	-11.9 %
Germany	1,048	997	+5.1 %
Middle East	726	575	+26.3 %
USA	650	542	+20.0 %
Other Countries	437	444	-1.6 %

The key Geratherm sales drivers, with a 75.2% share (p.y. 83.5%), were products in the Healthcare Diagnostics segment, which are marketed internationally to pharmacies and hospitals. However, the sector was unable to achieve fresh sales impetus in the first six months.

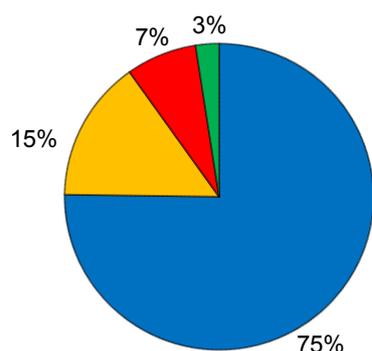
This sector currently includes eight new products undergoing the approval process and we do not foresee any upturn before the fourth quarter 2013. The key products in this sector are clinical thermometers filled with gallium (33.4%), blood pressure monitors (23.0%) and digital clinical thermometers (10.3%).

The Respiratory sector, in which we offer products measuring lung function, continued to develop dynamically with sales growth of +73.4% compared with the previous year. Following product registrations in India and China, we anticipate further sales boosts in these sectors.

In the first half-year, the Medical Warming Systems sector achieved significant growth of +52.3% compared with the previous year. Once the “Third Edition” comes into force (a new EU Approval Directive and a basic prerequisite for all medical products in Europe), we anticipate a further upturn in this sector. We are delighted to report that in June 2013, after a test phase of over 1 year, we won the contract to become the exclusive supplier for the national Brazilian transplant system the same month.

During the first half of 2013, the Cardio/Stroke sector also saw sales expand by 212 TEUR (+66.9%) and this dynamic growth is set to continue into subsequent quarters. The number of stroke centres equipped with the “SRAclinic” product rose in the first half-year to 29 hospitals (p.y. 21), with current commitments from another 20 hospitals to follow suit. By the end of the year, we target a figure of 50 hospitals to be fitted out. The break-even point for the Cardio/Stroke sector is around 40 affiliated hospitals.

Turnover by sector 1.01.- 30.06.2013



	As at 30.06.2013 TEUR	As at 30.06.2012 TEUR	
■ Healthcare Diagnostic	6,542	6,561	-0.3%
■ Respiratory	1,299	749	+73.4%
■ Med. Warming Systems	645	423	+52.3%
■ Cardio/Stroke	212	127	+66.9%

Profit situation

Operating income improved considerably in the first half-year of 2013. The earning quality was also given an additional boost from the new business divisions, which either went into the black for the first time or reduced the losses sustained to date. In the first half-year of 2013, exceptional items from the previous year, attributable to the short-time work and the reduction in capacity in the Geschwenda factory, no longer had an impact.

The gross margin of 53.1% remained on a par with the previous year. Capacity adjustments in the Geschwenda factory implemented in 2012 reduced personnel costs in comparison with the previous year period by -11.1%. Other operating expenses also declined by 239 TEUR, leading to a significant increase (+85.2%) in the gross accounted income to 1,009 TEUR (p.y. 545 TEUR).

The write-offs on intangible assets of property, plant and equipment amounted to 407 TEUR (p.y. 372 TEUR). Conversely, the first half-year investments amounted to 373 TEUR.

Operating results (EBIT) rose in the first six months of the current business year to 602 TEUR (p.y. 173 TEUR), while the EBIT margin improved significantly from 2.2% to 6.9%. Although failing to attain our target return of at least 10%, we remain on the right track.

In the first half-year of 2013, a positive net financial result of 142 TEUR (p.y. 369 TEUR) was recorded, thanks to income from the sale of securities.

In total, for the first six months of the current business year, the result of normal business activity was 744 TEUR (+37.2%), minus taxes on corporate income and business profits of 157 TEUR (p.y. 98 TEUR). However, the effective taxes only amounted to 39 TEUR, with the remaining 118 TEUR expended on reducing the non-cash effective deferred tax assets via losses carried forward.

The consolidated net income for the first half-year of 2013 totalled 587 TEUR (p.y. 444 TEUR), marking growth of 32.0%.

Deducting minority interests from the result for the period, the end result for parent company shareholders was 589 TEUR (p.y. 453 TEUR), an increase of 29.8%. The dividend per share for the first half-year totalled 12 cents (p.y. 9 cents).

Results and financial status

Geratherm Medical is in good financial shape. The balance sheet total was 27.0 m EUR (p.y. 23.3 m EUR), most of which comprised equity capital amounting to 18.4 m EUR. The accounted balance sheet total included 13.0 m EUR liquid assets and securities. The company equity ratio amounted to 68.3% of the balance sheet total, while the return on investment for the first six months of the current business year totalled 6.4%.

The non-current assets amounted to 5.4 m EUR, while intangible assets rose by +29.5% to 689 TEUR, which was attributable to development costs, product authorisations and partial invoicing of clinical studies. The property and plant assets declined slightly by 5.1% to 3.6 m EUR, while the item of deferred taxes also fell by 9.6% to 1.1 m EUR.

The further reduction in inventories of gallium thermometers saw the level of trade receivables of current assets reduced to 4.8 m EUR (-12.1%), while receivables and other assets remained at the level of the previous year, namely 3.8 m EUR. As of 30 June, securities amounting to 4.4 m EUR were identified (+19.3%). The means of payment amounted to 8.5 m EUR (p.y. 8.8 m EUR).

The gross cash flow for the first half-year totalled 827 TEUR (p.y. 472 TEUR), while the cash flow from operating activities totalled 1,622 TEUR (p.y. 135 TEUR). The cash flow from investment amounted to -537 TEUR (p.y. 103 TEUR).

Research and development

The main focus of research and development activities was placed on Medical Warming Systems and in the Healthcare Diagnostic sector. The Warming Systems sector underwent a complete revision of current technology and control within the scope of the “Third Edition”, while work is also continuing to develop a new mobile cooling system. In the Healthcare Diagnostic sector, meanwhile, efforts were focused on obtaining approval for new in-vitro diagnostic products and a clinical study for an ovulation measurement system. In the past six months, a clinical study including 80 patients has been conducted at the Schleswig Holstein University Hospital, gynaecological section, in Kiel.

Geratherm is currently in a state of transition. The overall Geratherm strategy involves using highly innovative products, on which complex approval hurdles are imposed, to establish unique future selling points and thus position the company with clear product advantages compared with the competition.

Employees

As of 30 June 2013 the Geratherm group employed a total of 118 employees (p.y. 143), 87 of whom were domestic employees.

Overview

The general meeting on 7 June 2013 was held near our main office in Ilmenau/Thuringia – all items on the agenda were discussed and approved by our shareholders. The number of shareholders present represented 63.18% of the share capital.

Based on current information, we anticipate continued positive business growth for the second half-year. Sales and revenue are likely to improve compared with the previous year.

After a lead time of almost 2 years, Geratherm Healthcare Diagnostic products were approved by the Iraqi Health Ministry in June 2013. This approval will act as the basis for future expansion of revenues in this area.

The new “Woman Care” product line revealed encouraging results as of the end of the second quarter, and the study conducted at the gynaecological hospital in Kiel was concluded positively. Based on the excellent study results, the Geratherm “Ovu Control” product was approved in July by TÜV Rhineland. The partnership between Philips and apoplex medical announced on 17 July should also elicit positive results in the coming quarters.

Geschwenda, August 2013



Dr. Gert Frank
Executive Chairman



Thomas Robst
Head of Sales

Statement of comprehensive income for the period January 1 to June 30, 2013

	April- June 2013 EUR	April- June 2012 EUR	Change	Jan.-June 2013 EUR	Jan.-June 2012 EUR	Change
Sales revenue	4,324,568	3,742,351	15.6 %	8,698,372	7,859,860	10.7 %
Change in stocks of finished and unfinished goods	-131,396	330,627	-	-528,566	327,179	-
Other own work capitalized	14,079	0	-	21,781	0	-
Other operating income	-5,132	118,506	-	155,222	179,645	-13.6 %
	4,202,119	4,191,484	0.3 %	8,346,809	8,366,684	-0.2 %
Material costs						
Costs for consumables, supplies and goods and for specific products	-1,765,817	-1,836,687	-3.9 %	-3,494,672	-3,601,290	-3.0 %
Costs of purchased services	-126,827	-73,764	71.9 %	-232,121	-166,983	39.0 %
	-1,892,644	-1,910,451	-0.9 %	-3,726,793	-3,768,273	-1.1 %
Gross profit	2,309,475	2,281,033	1.2 %	4,620,016	4,598,411	0.5 %
Personnel expenses						
Wages and salaries	-699,157	-764,581	-8.6 %	-1,327,824	-1,456,081	-8.8 %
Social contributions and expenditures for pensions	-159,674	-178,226	-10.4 %	-306,834	-382,024	-19.7 %
	-858,831	-942,807	-8.9 %	-1,634,658	-1,838,105	-11.1 %
Depreciation of intangible assets and tangible fixed assets	-206,675	-200,498	3.1 %	-407,206	-372,389	9.3 %
Other operating expenditure	-1,063,957	-1,113,140	-4.4 %	-1,976,046	-2,215,177	-10.8 %
Operating results	180,012	24,588	>100.0 %	602,106	172,740	>100.0 %
Income from dividends	54,145	113,082	-52.1 %	54,145	121,626	-55.5 %
Income from sale of securities	295,244	250,572	17.8 %	295,244	290,555	1.6 %
Depreciation of securities	0	0	-	0	0	-
Expenses from securities	-101,961	-24,606	>100.0 %	-102,460	-25,806	>100.0 %
Other interest and related income	4,062	6,730	-39.6 %	11,500	16,286	-29.4 %
Interests and similar expenses	-58,743	-18,496	>100.0 %	-116,234	-32,924	>100.0 %
Financial result	192,747	327,282	-41.1 %	142,195	369,737	-61.5 %
Result of normal business activity	372,759	351,870	5.9 %	744,301	542,477	37.2 %
Taxes on income and profit	-33,592	-43,655	-23.1 %	-157,671	-98,099	60.7 %
Group net profit for the period	339,167	308,215	10.0 %	586,630	444,378	32.0 %
Result of non-controlling shareholders for the period	5,664	-12,616	>100.0 %	-1,951	-9,051	-78.4 %
Net earnings of the parent company's shareholders in the period concerned	333,503	320,831	3.9 %	588,581	453,429	29.8 %
Gross result for first quarter of year (EBITDA)	386,687	225,086	71.8 %	1,009,312	545,129	85.2 %
Earnings per share undiluted	0.07	0.06	16.7 %	0.12	0.09	33.3 %

Statement of financial position as at the end of the period by June 30, 2013

Assets	30. June 2013 EUR	31. December 2012 EUR	Change
A. Long-term assets			
I. Intangible assets			
1. Development costs	210,755	254,051	-17.0 %
2. Other intangible assets	402,162	202,041	99.0 %
3. Goodwill	75,750	75,750	-
	688,667	531,842	29.5 %
II. Tangible assets			
1. Land and buildings	1,185,240	1,217,897	-2.7 %
2. Plant and machinery	2,170,896	2,033,047	6.8 %
3. Other plants, operating and office equipment	188,746	208,557	-9.5 %
4. Assets under construction	26,746	302,799	-91.2 %
	3,571,628	3,762,300	-5.1 %
III. Other assets	50,003	50,004	-
IV. Deferred taxes	1,112,390	1,230,609	-9.6 %
	5,422,688	5,574,755	-2.7 %
B. Current assets			
I. Inventories			
1. Raw, auxiliary and operating materials	1,010,465	1,236,130	-18.3 %
2. Unfinished products	1,163,473	1,497,963	-22.3 %
3. Finished products and goods	2,625,899	2,725,996	-3.7 %
	4,799,837	5,460,089	-12.1 %
II. Receivables and other assets			
1. Trade accounts receivable	2,854,132	3,205,877	-11.0 %
2. Tax claims	501,876	232,540	>100.0 %
3. Other assets	462,687	383,334	20.7 %
	3,818,695	3,821,751	-0.1 %
III. Securities	4,436,024	3,718,382	19.3 %
IV. Means of payment	8,519,631	8,809,871	-3.3 %
	21,574,187	21,810,093	-1.1 %
	26,996,875	27,384,848	-1.4 %
Equity and Liabilities			
A. Equity			
I. Subscribed capital	4,949,999	4,949,999	-
II. Capital reserves	10,711,677	10,711,677	-
III. Other reserves	3,216,781	3,372,389	-4.6 %
Attributable to parent company shareholders	18,878,457	19,034,065	-0.8 %
Non-controlling shareholders	-436,606	-412,790	5.8 %
	18,441,851	18,621,275	-1.0 %
B. Non-current liabilities			
1. Liabilities to banks	3,631,224	3,700,000	-1.9 %
2. Accrued investment subsidies	740,156	794,830	-6.9 %
3. Other long-term liabilities	596,079	596,079	-
	4,967,459	5,090,909	-2.4 %
C. Current liabilities			
1. Amounts owed to credit institutions	1,357,174	1,663,869	-18.4 %
2. Advances received	40,847	72,739	-43.8 %
3. Trade accounts payable	1,396,284	1,171,275	19.2 %
4. Tax liabilities	151,005	108,993	38.5 %
5. Other current liabilities	642,255	655,788	-2.1 %
	3,587,565	3,672,664	-2.3 %
	26,996,875	27,384,848	-1.4 %

Statement of cash flow for the period January 1, 2013 to June 30, 2013

	January – June 2013 TEUR	January – June 2012 TEUR
Group net profit for the period	587	444
Other non-cash expenses	-25	-7
Dividend income	-54	-122
Interest income	-11	-16
Interest paid	116	33
Decrease in deferred taxes	118	56
Expenditure from income taxes	39	42
Depreciation of fixed assets	407	372
Income from the sale of securities	-295	-291
Losses from securities trading	0	0
Depreciation of securities	0	0
Amortisation of allowances and subsidies	-55	-39
Loss on disposal of fixed assets	0	0
Gross cash flow	827	472
Decrease/increase in inventories	660	-247
Decrease/increase in trade receivables and other assets	2	-91
Increase/decrease in current and other liabilities	218	-62
Cash from dividends	54	122
Inflow from interest	11	16
Outflow from interest	-116	-33
Outflow of taxes on income and earnings	-34	-42
Cash flow from operations	1,622	135
Outflow for investment in fixed assets	-373	-506
Payments from financial investments	865	898
Cash for financial investment	-1,029	-289
Cash flow from investments	-537	103
Cash inflow from non-controlling shareholders	0	0
Distribution of profits to non-controlling shareholders	-10	0
Dividend distribution	-990	-1,485
Proceeds from the repayment of loans	0	37
Outflows for the repayment of loans	-375	0
Increase in fixed liabilities	0	-13
Cash flow from financing activities	-1,375	-1,461
Change in cash and cash equivalents	-290	-1,223
Cash and cash equivalents at the start of the reporting period	8,810	4,224
Cash and cash equivalents at the end of the reporting period	8,520	3,001

Statement of changes in equity for the period by June 30, 2013

	Subscribed capital	Capital reserves	Other reserves			To be assigned to the shareholders of the parent company	Non-controlling interests	Equity capital
			Market valuation reserve	Currency conversion reserves	Accumulated earnings			
	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
As of January 1, 2012	4,949,999	10,672,874	-92,385	27,232	3,500,315	19,058,035	-393,150	18,664,885
Dividend payment to shareholders	0	0	0	0	-1,484,999	-1,484,999	0	-1,484,999
Transaction with associates and shareholders	0	0	0	0	-1,484,999	-1,484,999	0	-1,484,999
Group period result	0	0	0	0	453,429	453,429	-9,051	444,378
Unrealised profits and losses from valuation of securities	0	0	-126,219	0	0	-126,219	0	-126,219
Currency translation in group	0	0	0	-3,528	0	-3,528	-3,389	-6,917
Total consolidated income	0	0	-126,219	-3,528	453,429	323,682	-12,440	311,242
As of June 30, 2012	4,949,999	10,672,874	-218,604	23,704	2,468,745	17,896,718	-405,590	17,491,128
As of January 1, 2013	4,949,999	10,711,677	144,916	17,968	3,209,505	19,034,065	-412,790	18,621,275
Dividend payment to shareholders	0	0	0	0	-990,000	-990,000	-9,591	-999,591
Transaction with associates and shareholders	0	0	0	0	-990,000	-990,000	-9,591	-999,591
Group period result	0	0	0	0	588,581	588,581	-1,951	586,630
Unrealised profits and losses from valuation of securities	0	0	258,585	0	0	258,585	0	258,585
Currency translation in group	0	0	0	-12,774	0	-12,774	-12,274	-25,048
Total consolidated income	0	0	258,585	-12,774	588,581	834,392	-14,225	820,167
As of June 30, 2013	4,949,999	10,711,677	403,501	5,194	2,808,086	18,878,457	-436,606	18,441,851

Consolidated Statement of Comprehensive Income (IFRS) for the period from January 1, 2013 to June 30, 2013

	01.01.-30.06.2013 EUR	01.01.-30.06.2012 EUR
Net earnings of the parent company's shareholders in the period concerned	588,581	453,429
Profit of non-controlling shareholders	-1,951	-9,051
Group net profit for the period	586,630	444,378
Profit and losses from the revaluation of securities	258,585	-126,219
Difference resulting from currency translation	-25,048	-6,917
Income and expenses directly included in equity capital	233,537	-133,136
Total consolidated income	820,167	311,242
Of which for non-controlling shareholders	-14,225	-12,440
Of which for parent company shareholders	834,392	323,682

Segment Report for the period from January 1, 2013 to June 30, 2013

According to product segments	Healthcare Diagnostic Jan.-June TEUR	Med. Warming Systems Jan.-June TEUR	Cardio/ Stroke Jan.-June TEUR	Respiratory Jan.-June TEUR	Consolidation Jan.-June TEUR	Reconciliation Jan.-June TEUR	Total Jan.-June TEUR
2013							
Segment revenues	7,534	390	212	995	-433	0	8,698
Operating results	879	-88	-67	160	-24	-258	602
of which:							
Amortisation of intangible assets and depreciation of tangible assets	388	11	2	5	-41	42	407
Segment assets	10,986	909	149	900	0	12,941	25,885
Segment liabilities	7,416	205	607	327	0	0	8,555

According to product segments	Healthcare Diagnostic Jan.-June TEUR	Med. Warming Systems Jan.-June TEUR	Cardio/ Stroke Jan.-June TEUR	Respiratory Jan.-June TEUR	Consolidation Jan.-June TEUR	Reconciliation Jan.-June TEUR	Total Jan.-June TEUR
2012							
Segment revenues	7,243	382	127	612	-504	0	7,860
Operating results	481	23	-86	25	-16	-254	173
of which:							
Amortisation of intangible assets and depreciation of tangible assets	365	12	2	4	-53	42	372
Segment assets	12,196	958	201	679	0	7,851	21,885
Segment liabilities	4,674	195	635	337	0	0	5,841

According to regions	Germany	Europe	USA	South America	Others	Total
2013	Jan.-June TEUR	Jan.-June TEUR	Jan.-June TEUR	Jan.-June TEUR	Jan.-June TEUR	Jan.-June TEUR
Sales revenue	1,446	3,638	650	2,234	1,163	9,131
Elimination of intercompany Sales	-398	0	0	-35	0	-433
Sales revenue to third parties	1,048	3,638	650	2,199	1,163	8,698
Gross profit or loss	555	1,887	337	1,237	603	4,619
Operating results	69	235	42	181	75	602
of which:						
Amortisation/depreciation of intangible assets and tangible assets	64	219	39	15	70	407
Amortisation of public grants and subsidies	9	31	6	0	10	56
Acquisition costs of fixed assets for the period	376	0	0	-3	0	373
Segment assets	23,775	0	0	2,110	0	25,885

According to regions	Germany	Europe	USA	South America	Others	Total
2012	Jan.-June TEUR	Jan.-June TEUR	Jan.-June TEUR	Jan.-June TEUR	Jan.-June TEUR	Jan.-June TEUR
Sales revenue	1,222	2,806	542	2,775	1,019	8,364
Elimination of intercompany Sales	-225	0	0	-279	0	-504
Sales revenue to third parties	997	2,806	542	2,496	1,019	7,860
Gross profit or loss	556	1,566	303	1,604	569	4,598
Operating results	-6	-19	-4	209	-7	173
of which:						
Amortisation/depreciation of intangible assets and tangible assets	65	185	36	19	67	372
Amortisation of public grants and subsidies	7	20	4	0	8	39
Acquisition costs of fixed assets for the period	485	0	0	22	0	507
Segment assets	20,825	0	0	2,507	0	23,332

Notes on consolidated interim financial statement for the period from 1 January 2013 to 30 June 2013

Accounting and assessment principles

The consolidated interim financial statement of Geratherm Medical AG as of 30 June 2013 was drawn up in accordance with the International Financial Reporting Standards (IFRS) and the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) valid as of the balance sheet date, as mandated in the European Union.

The accounting and consolidation procedures were retained, as shown in the annex to the consolidated financial statement 2012.

The assessment of assets and liabilities is based partly on estimates or assumptions about future developments. The assessment of the intrinsic value of the deferred tax accrual on the carrying-over of accumulated losses and the capitalised development costs is based on the company's planning, which is inevitably subject to uncertainties. Accordingly, the actual values may in some cases diverge from the assumptions and estimates. Estimates and the assumptions on which they are based are revised regularly and their possible effects on accounting are assessed.

Consolidated companies

As of 30 June 2013 no changes were recorded in the consolidated companies:

Company	Ownership interest 30.06.2013	Ownership interest 31.12.2012
GME Rechte und Beteiligungen GmbH, Geschwenda / Germany	100.00%	100.00%
apoplex medical technologies GmbH, Pirmasens / Germany	59.11%	59.11%
Geratherm Respiratory GmbH, Bad Kissingen / Germany	61.27%	61.27%
Geratherm Medical do Brasil Ltda., Sao Paulo / Brazil	51.00%	51.00%

Equity capital

The change in equity capital was shown in the group statement of changes in equity.

The subscribed capital of Geratherm Medical AG as of 30.06.2013 amounted to a total 4,949,999 EUR (p.y. 4,949,999 EUR), divided into 4,949,999 (p.y. 4,949,999) non-par bearer shares. The subscribed capital is paid in full. As of the balance sheet date, no shares were held by the company.

Geratherm Medical AG approved the payment of a dividend amounting to 0.20 EUR per share at the ordinary general meeting of the company in 7 June 2013 in Ilmenau.

All dividends were paid from the tax-recognised contribution account as defined by section 27 KStG (German Corporate Tax Act) (not contributions to nominal capital) without deducting capital gains tax and solidarity tax. The dividend payment amounting to 989,999.80 EUR was made on 10.06.2013.

The current consolidated interim financial statement as of 30 June 2013 was not reviewed by an auditor.

Statement affidavit

To the best of our knowledge, we affirm that in accordance with the accounting standards to be used for the interim reporting of the consolidated interim financial statements, a true and fair view of the net assets, finances, and earnings of the company is conveyed and in the consolidated interim management report, the development of business including the position of the company is portrayed in such a way that a true and fair view is conveyed, and the important opportunities and risks for the expected development of the company for the remainder of the fiscal year are described.

Geschwenda, August 2013



Dr. Gert Frank
Chairman



Thomas Robst
Head of Sales

COMPANY CALENDAR 2013

Investor/analyst conference in Hamburg	21 November
Third quarter report	21 November

COMPANY CALENDAR 2014

Publication of annual report 2013	24 April
First quarter report	22 May
Second quarter report	21 August
Third quarter report	20 November

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