

Geratherm®

*SOLUTIONS  
FOR A  
HEALTHY  
WORLD*

Interim Report 1<sup>st</sup> Quarter of 2013

## GERATHERM

## AT A GLANCE

| Group financial ratio  | January-<br>March<br>2013 | January-<br>March<br>2012 | Change             |
|--|---------------------------|---------------------------|--------------------|
| <b>Turnover</b>  | <b>4,374 TEUR</b>         | <b>4,118 TEUR</b>         | <b>6.2 %</b>       |
| Including export share   | 3,792 TEUR                | 3,696 TEUR                | 2.6 %              |
| Export rate  | 87 %                      | 90 %                      | -3.3 %             |
| Gross result (EBITDA)  | 623 TEUR                  | 320 TEUR                  | 94.5 %             |
| <b>EBITDA-Margin</b>   | <b>14.2 %</b>             | <b>7.8 %</b>              | <b>82.1 %</b>      |
| Depreciation   | -201 TEUR                 | -172 TEUR                 | 16.7 %             |
| <b>Operating results (EBIT)</b>  | <b>422 TEUR</b>           | <b>148 TEUR</b>           | <b>&gt;100.0 %</b> |
| <b>EBIT margin</b>   | <b>9.6 %</b>              | <b>3.6 %</b>              | <b>&gt;100.0 %</b> |
| Financial results  | -51 TEUR                  | 42 TEUR                   | -                  |
| Result of ordinary activities  | 371 TEUR                  | 190 TEUR                  | 94.9 %             |
| <b>Net earnings of the parent<br/>company's shareholders in the<br/>period concerned</b> | <b>255 TEUR</b>           | <b>133 TEUR</b>           | <b>92.4 %</b>      |
| Long-term assets   | 5,512 TEUR                | 5,881 TEUR                | -6.3 %             |
| Short-term assets  | 22,193 TEUR               | 19,352 TEUR               | 14.7 %             |
| Balance sheet total  | 27,705 TEUR               | 25,233 TEUR               | 9.8 %              |
| Equity capital   | 19,147 TEUR               | 19,454 TEUR               | -1.6 %             |
| Return on equity   | 5.3 %                     | 2.7 %                     | 94.8 %             |
| Equity ratio   | 69.1 %                    | 77.1 %                    | -10.4 %            |
| Cash and securities  | 13,480 TEUR               | 9,674 TEUR                | 39.3 %             |
| <b>Result per share pursuant to<br/>IFRS (EPS)*</b>                                      | <b>0.05 EUR</b>           | <b>0.03 EUR</b>           | <b>66.7 %</b>      |
| <b>Result per share pursuant to<br/>DVFA*</b>  | <b>0.05 EUR</b>           | <b>0.03 EUR</b>           | <b>66.7 %</b>      |
| Number of employees at end of the<br>period  | 116                       | 135                       | -14.1 %            |
| No-par shares  | 4,949,999                 | 4,949,999                 | -                  |
| * compared to registered shares in<br>circulation  | 4,949,999                 | 4,949,999                 | -                  |

## Business performance from 1 January to 31 March 2013

- Sales revenue 4.4 m EUR +6.2 %
- Gross period earnings (EBITDA) 623 TEUR +94.5 %
- Operating profit (EBIT) 422 TEUR +185.1 %
- Result of normal business activity 371 TEUR +94.9 %
- Net earnings (EAT) 255 TEUR +92.4 %
- New business fields gain momentum

### Dear shareholders and interested parties of Geratherm Medical,

Geratherm Medical turnover and earnings performance in particular significantly improved in the 1st quarter. The flu epidemic in Europe as well as the USA boosted sales of Geratherm products, while also most of the new business fields showed substantial increases in sales. With an EBITDA margin of 14.2 % or an EBIT margin of 9.6 %, the 1st quarter was satisfactory from a profit perspective. The cash flow in the 1st quarter was 1,154 TEUR.

Turnover increased in the 1st quarter by 6.2 % to 4.4 m EUR and this growth was mainly driven by the clear increase in sales volume (+66.9 %) of products in the pulmonary function monitoring field.

At 2,311 TEUR, the gross profit was at the level of the previous year, which means a gross company-wide margin for the first quarter of 55.8 % (p.y. 55.5 %). A significantly reduced cost base enabled higher reported income.

The operating profit (EBIT) for the 1st quarter was 422 TEUR (p.y. 148 TEUR), while the result of normal business activity was 371 TEUR (p.y. 190 TEUR). The earnings after tax for shareholders totalled 255 TEUR or 5 cent per share (p.y. 3 cent).

## Facts and figures

(in TEUR)

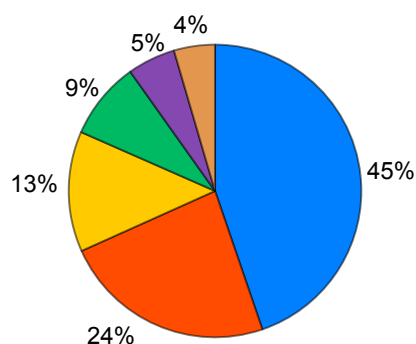
|           | I/13  | IV/12 | III/12 | II/12 | I/12  |
|-----------|-------|-------|--------|-------|-------|
| Turnover  | 4,374 | 4,276 | 3,834  | 3,742 | 4,118 |
| EBITDA    | 14.2% | 23.7% | 4.1%   | 6.0%  | 7.8%  |
| EBIT      | 422   | 822   | -38    | 25    | 148   |
| EPS (EUR) | 0.05  | 0.12  | 0.03   | 0.06  | 0.03  |
| Cash flow | 1,154 | 977   | 135    | 250   | 222   |

## Sales trend

The sales trend for Geratherm Medical differed in the individual regions. Unlike the comparable period of the previous year and due to the significant flu epidemic, which particularly affected Europe and the USA, we again saw substantial increases in sales.

The portion of Geratherm products exported was 87 %, representing a -3.3% decline compared to the period the previous year. In Germany, sales of Geratherm products increased by 37.7 %, while in Europe, first-quarter sales volume rose by 29.3 %. The flu epidemic in the USA meant here also, sales increased in comparison to the quarter the previous year by 71.3 %. South America was weaker in comparison, showing negative growth of -19.7 %, while the Middle East region also showed a decline of -32.5 % for the first quarter. However, we view this as fluctuating orders based on timing, rather than a key decline in the sales volume. The same also applies for the Other Countries region with a drop of 41.3%.

## Turnover based on region 1.01. - 31.03.2013



|                 | per<br>31.03.2013<br>TEUR | per<br>31.03.2012<br>TEUR |         |
|-----------------|---------------------------|---------------------------|---------|
| Europe          | 1,957                     | 1,514                     | +29.3 % |
| South America   | 1,029                     | 1,281                     | -19.7 % |
| Germany         | 582                       | 423                       | +37.7 % |
| USA             | 375                       | 219                       | +71.3 % |
| Middle East     | 232                       | 344                       | -32.5 % |
| Other Countries | 198                       | 337                       | -41.3 % |

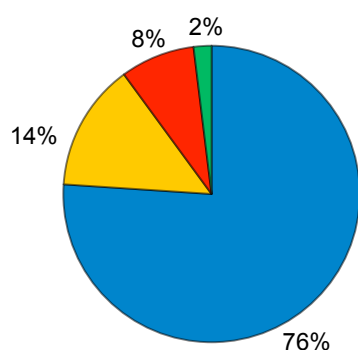
Sales in the healthcare diagnostic sector declined slightly in the first quarter. Due to weaker sales in Latin America, the sector showed a drop in revenue of 2.5 %, while for price-sensitive products in particular, such as digital clinical thermometers, sales declined by 17.5 %, while blood pressure monitors showed a drop of 24.4 %. High-end products, such as contactless clinical thermometers showed increased turnover of 14.4 %, while similar growth was observed in the product range of environmentally friendly Gallium thermometers with sales increasing by 16.7 %.

The Respiratory sector, in which we supply products for pulmonary function monitoring, showed dynamic growth, with sales soaring by 66.9 %, based on today's predictions, development will continue into the coming quarters.

The Medical Warming Systems sector also developed positively. For the first quarter, the sector showed an increase in turnover of + 25.3 %.

While at a low level, the Cardio/Stroke sector was able to boost quarterly sales by +43.2 % and the dynamic growth in this sector looks likely to be sustained in coming quarters. The number of primary stroke centres linked up with the SRAclinic product increased to 26 (p.y. 17).

#### Turnover by sector 1.01. - 31.03.2013



|                       | per<br>31.03.2013<br>TEUR | per<br>31.03.2012<br>TEUR |        |
|-----------------------|---------------------------|---------------------------|--------|
| Healthcare Diagnostic | 3,326                     | 3,411                     | -2.5 % |
| Respiratory           | 608                       | 364                       | +66.9% |
| Med. Wärmesysteme     | 355                       | 283                       | +25.3% |
| Cardio/Stroke         | 85                        | 60                        | +43.2% |

#### Profit situation

The operating profit improved considerably in the 1st quarter of 2013. This was due to the elimination of exceptional items, such as short-time work in the Geschwenda/Thuringia factory and the increased sales of clinical thermometers as well as the increased profitability of new business fields.

With gross profit remaining virtually constant at 2,311 TEUR and reduced personnel costs amounting to 13.3 %, the gross profit (EBITDA) earned for the first quarter of the fiscal year was 623 TEUR (p.y. 320 TEUR).

Write-offs increased by 16.7 % to 201 TEUR, while other operating expenses declined by 17.2 % to 912 TEUR (p.y. 1,102 TEUR).

The operating profit (EBIT) virtually trebled in the first quarter of the current fiscal year to 422 TEUR (p.y. 148 TEUR), while the EBIT margin increased from 3.6 % to 9.6 %. Although this is a positive development, the minimum target return of at least 10 % for the reported operating earnings has not yet been reached. The financial result was negative at -51 TEUR, 40 TEUR of which went on interest payments for the subsidiary Geratherm do Brasil. Earnings from dividends and securities were not received by the 1st quarter. The result of normal business activity for the first quarter of the current year was 371 TEUR (p.y. 190 TEUR).

Taxes on income and revenue reduced the reported result by 124 TEUR, although actual taxes only amounted to 12 TEUR. The remaining amount of 112 TEUR comprised the reduction of non-cash effective deferred tax assets by carrying forward losses. In total, a group net result for the first quarter of 247 TEUR (p.y. 136 TEUR) was recorded.

For the 1st quarter 2013, a net result for the parent company shareholders of 255 TEUR (p.y. 133 TEUR) was earned. The earning per share for the 1st quarter was 5 cent (p.y. 3 cent).

### **Assets and financial position**

Geratherm Medical enjoys solid funding. The balance sheet total of 27.7 m EUR mainly comprises equity capital of 19.1 m EUR, and the portion of equity capital stood at 69.1 % as of the balance sheet date (p.y. 77.1 %).

As of 31.03.2013, the company had liquid assets and securities amounting to 13.5 m EUR (p.y. 9.7 m EUR). The company thus finds itself in an exceptionally strong financial position.

The non-current assets fell by -1.1 % to 5.5 m EUR, while intangible assets increased by 18.1 % to 628 TEUR. This was mainly due to the capitalisation of costs for product approvals and the partial invoicing of clinical studies. For the assets of property, amounting to 3.7 m EUR, there were no significant changes overall, while the figure for deferred taxes declined to 1.1 m EUR.

For current assets, the reduction of inventories led to a significant decline in funds absorption to 4.7 m EUR (31.12.12: 5.5 m EUR). This included raw, auxiliary and operating materials, unfinished products as well as finished products and goods.

Receivables and other assets increased slightly by 4.4 % to 4.0 m EUR.

As of 31.03.2013, securities valued at 4.1 m EUR (+10.6 %) were held, while currency increased by 6.3 % to 9.4 m EUR (p.y. 8.8 m EUR).

The gross cash flow for the first quarter 2013 increased to 611 TEUR (p.y. 306 TEUR), while the cash flow from operating activities amounted to 1,154 TEUR (p.y. 222 TEUR). The cash flow from investments was -383 TEUR (p.y. -36 TEUR).

## Research and development

The focal points in the research and development field were mainly the new business fields.

In the warming systems sector, we focused on the further development of products already introduced to the market to date and the development of a new generation of cryotherapy products.

In the diagnostics field, we are currently conducting various clinical studies for the new “Woman Care” product line.

The overall Geratherm strategy is to establish unique future selling points via highly innovative products, which are linked to complex approval hurdles, to ensure a market placement with clear product advantages compared to the competition.



## Employees

As of 31 March 2013, the Geratherm group employed a total of 116 employees (p.y. 135), 85 of whom were employed domestically.

## Overview

The growth dynamic of the premium medical products we have developed in the OP/heating systems, pulmonary function monitoring and cardio/stroke fields is set to continue. For the healthcare diagnostic sector, we predict a weaker 1st quarter, since new CE approvals could lead to delays in the supply of products. The new “Woman Care” product range should provide new impetus for growth in the 2nd half of the year in the healthcare diagnostic sector.

Geschwenda, May 2013



Dr. Gert Frank  
Executive Chairman



Thomas Robst  
Head of Sales



## Statement of comprehensive income for the period January 1, 2013 to March 31, 2013

|  | Jan.-March<br>2013<br>EUR | Jan.-March<br>2012<br>EUR | Change             |
|--|---------------------------|---------------------------|--------------------|
| Sales revenue  | 4,373,804                 | 4,117,509                 | 6.2 %              |
| Change in stocks of finished and unfinished goods                                | -397,170                  | -3,448                    | >100.0 %           |
| Other own work capitalized   | 7,702                     | 0                         | -                  |
| Other operating income   | 160,354                   | 61,139                    | >100.0 %           |
|  | <b>4,144,690</b>          | <b>4,175,200</b>          | <b>-0.7 %</b>      |
| <b>Material costs</b>  |                           |                           |                    |
| Costs for consumables, supplies and goods<br>and for specific products           | -1,728,855                | -1,764,603                | -2.0 %             |
| Costs of purchased services  | -105,294                  | -93,219                   | 13.0 %             |
|  | <b>-1,834,149</b>         | <b>-1,857,822</b>         | <b>-1.3 %</b>      |
| <b>Gross profit</b>  | <b>2,310,541</b>          | <b>2,317,378</b>          | <b>-0.3 %</b>      |
| <b>Personnel expenses</b>  |                           |                           |                    |
| Wages and salaries   | -628,667                  | -691,500                  | -9.1 %             |
| Social contributions and expenditures for pensions                               | -147,160                  | -203,798                  | -27.8 %            |
|  | <b>-775,827</b>           | <b>-895,298</b>           | <b>-13.3 %</b>     |
| Depreciation of intangible assets and tangible fixed assets                      | -200,531                  | -171,891                  | 16.7 %             |
| Other operating expenditure  | -912,089                  | -1,102,037                | -17.2 %            |
|  | <b>422,094</b>            | <b>148,152</b>            | <b>&gt;100.0 %</b> |
| <b>Operating results</b>   | <b>422,094</b>            | <b>148,152</b>            | <b>&gt;100.0 %</b> |
| Income from dividends  | 0                         | 8,544                     | -                  |
| Income from sale of securities   | 0                         | 39,983                    | -                  |
| Depreciation of securities   | 0                         | 0                         | -                  |
| Expenses from securities   | -499                      | -1,200                    | -                  |
| Other interest and related income  | 7,438                     | 9,556                     | -                  |
| Interests and similar expenses   | -57,491                   | -14,428                   | -                  |
|  | <b>-50,552</b>            | <b>42,455</b>             | <b>-</b>           |
| <b>Financial result</b>  | <b>-50,552</b>            | <b>42,455</b>             | <b>-</b>           |
| <b>Result of normal business activity</b>  | <b>371,542</b>            | <b>190,607</b>            | <b>94.9 %</b>      |
| Taxes on income and profit   | -124,079                  | -54,444                   | >100.0 %           |
|  | <b>247,463</b>            | <b>136,163</b>            | <b>81.7 %</b>      |
| <b>Group net profit for the period</b>   | <b>247,463</b>            | <b>136,163</b>            | <b>81.7 %</b>      |
| Result of non-controlling shareholders for the period                            | -7,615                    | 3,565                     | -                  |
|  | <b>255,078</b>            | <b>132,598</b>            | <b>92.4 %</b>      |
| <b>Net earnings of the parent company's shareholders in the period concerned</b> | <b>255,078</b>            | <b>132,598</b>            | <b>92.4 %</b>      |
| <b>Gross result for first quarter of year (EBITDA)</b>                           | <b>622,625</b>            | <b>320,043</b>            | <b>94.5 %</b>      |
| <b>Earnings per share undiluted</b>  | <b>0.05</b>               | <b>0.03</b>               | <b>66.7 %</b>      |

## Statement of financial position as at the end of the period by March 31, 2013

| Assets  | 31. March 2013<br>EUR | 31. December 2012<br>EUR | Change        |
|---|-----------------------|--------------------------|---------------|
| <b>A. Long-term assets</b>                      |                       |                          |               |
| <b>I. Intangible assets</b>                     |                       |                          |               |
| 1. Development costs                            | 222,262               | 254,051                  | -12.5 %       |
| 2. Other intangible assets                      | 330,151               | 202,041                  | 63.4 %        |
| 3. Goodwill                                     | 75,750                | 75,750                   | 0.0 %         |
|   | 628,163               | 531,842                  | 18.1 %        |
| <b>II. Tangible assets</b>                      |                       |                          |               |
| 1. Land and buildings                           | 1,201,568             | 1,217,897                | -1.3 %        |
| 2. Plant and machinery                          | 2,258,582             | 2,033,047                | 11.1 %        |
| 3. Other plants, operating and office equipment | 203,175               | 208,557                  | -2.6 %        |
| 4. Assets under construction                    | 52,446                | 302,799                  | -82.7 %       |
|   | 3,715,771             | 3,762,300                | -1.2 %        |
| <b>III. Other assets</b>                        | 50,004                | 50,004                   | 0.0 %         |
| <b>IV. Deferred taxes</b>                       | 1,118,144             | 1,230,609                | -9.1 %        |
|   | <b>5,512,082</b>      | <b>5,574,755</b>         | <b>-1.1 %</b> |
| <b>B. Current assets</b>                        |                       |                          |               |
| <b>I. Inventories</b>                           |                       |                          |               |
| 1. Raw, auxiliary and operating materials       | 1,042,586             | 1,236,130                | -15.7 %       |
| 2. Unfinished products                          | 1,241,396             | 1,497,963                | -17.1 %       |
| 3. Finished products and goods                  | 2,437,678             | 2,725,996                | -10.6 %       |
|   | 4,721,660             | 5,460,089                | -13.5 %       |
| <b>II. Receivables and other assets</b>         |                       |                          |               |
| 1. Trade accounts receivable                    | 3,389,852             | 3,205,877                | 5.7 %         |
| 2. Tax claims                                   | 218,405               | 232,540                  | -6.1 %        |
| 3. Other assets                                 | 383,226               | 383,334                  | 0.0 %         |
|   | 3,991,483             | 3,821,751                | 4.4 %         |
| <b>III. Securities</b>                          | 4,113,844             | 3,718,382                | 10.6 %        |
| <b>IV. Means of payment</b>                     | 9,366,306             | 8,809,871                | 6.3 %         |
|   | <b>22,193,293</b>     | <b>21,810,093</b>        | <b>1.8 %</b>  |
|   | <b>27,705,375</b>     | <b>27,384,848</b>        | <b>1.2 %</b>  |
| <b>Equity and Liabilities</b>                   |                       |                          |               |
| <b>A. Equity</b>                                |                       |                          |               |
| I. Subscribed capital                           | 4,949,999             | 4,949,999                | 0.0 %         |
| II. Capital reserves                            | 10,711,677            | 10,711,677               | 0.0 %         |
| III. Other reserves                             | 3,898,156             | 3,372,389                | 15.6 %        |
| Attributable to parent company shareholders     | 19,559,832            | 19,034,065               | 2.8 %         |
| Non-controlling shareholders                    | -412,459              | -412,790                 | -0.1 %        |
|   | <b>19,147,373</b>     | <b>18,621,275</b>        | <b>2.8 %</b>  |
| <b>B. Non-current liabilities</b>               |                       |                          |               |
| 1. Liabilities to banks                         | 3,600,000             | 3,700,000                | -2.7 %        |
| 2. Accrued investment subsidies                 | 767,493               | 794,830                  | -3.4 %        |
| 3. Other long-term liabilities                  | 596,079               | 596,079                  | 0.0 %         |
|   | <b>4,963,572</b>      | <b>5,090,909</b>         | <b>-2.5 %</b> |
| <b>C. Current liabilities</b>                   |                       |                          |               |
| 1. Amounts owed to credit institutions          | 1,549,056             | 1,663,869                | -6.9 %        |
| 2. Advances received                            | 147,631               | 72,739                   | >100.0 %      |
| 3. Trade accounts payable                       | 1,066,974             | 1,171,275                | -8.9 %        |
| 4. Tax liabilities                              | 222,228               | 108,993                  | >100.0 %      |
| 5. Other current liabilities                    | 608,541               | 655,788                  | -7.2 %        |
|   | 3,594,430             | 3,672,664                | -2.1 %        |
|   | <b>27,705,375</b>     | <b>27,384,848</b>        | <b>1.2 %</b>  |

## Statement of cash flow for the period January 1, 2013 to March 31, 2013

|   | January – March<br>2013<br>TEUR | January – March<br>2012<br>TEUR |
|---|---------------------------------|---------------------------------|
| Group net profit for the period                                       | 247                             | 136                             |
| Other non-cash expenses   | 16                              | 7                               |
| Dividend income   | 0                               | -9                              |
| Interest income   | -7                              | -9                              |
| Interest paid   | 57                              | 14                              |
| Decrease in deferred taxes  | 112                             | 20                              |
| Expenditure from income taxes   | 12                              | 34                              |
| Depreciation of fixed assets  | 201                             | 172                             |
| Income from the sale of securities                                    | 0                               | -40                             |
| Losses from securities trading  | 0                               | 0                               |
| Depreciation of securities  | 0                               | 0                               |
| Amortisation of allowances and subsidies                              | -27                             | -19                             |
| Loss on disposal of fixed assets                                      | 0                               | 0                               |
| <b>Gross cash flow</b>  | <b>611</b>                      | <b>306</b>                      |
| Decrease/increase in inventories                                      | 738                             | -186                            |
| Increase in trade receivables and other assets                        | -142                            | -184                            |
| Increase in current and other liabilities                             | 20                              | 282                             |
| Cash from dividends   | 0                               | 9                               |
| Inflow from interest  | 7                               | 9                               |
| Outflow from interest   | -57                             | -14                             |
| Outflow of taxes on income and earnings                               | -23                             | 0                               |
| <b>Cash flow from operations</b>                                      | <b>1,154</b>                    | <b>222</b>                      |
| Outflow for investment in fixed assets                                | -250                            | -331                            |
| Payments from financial investments                                   | 0                               | 295                             |
| Cash for financial investment   | -133                            | 0                               |
| <b>Cash flow from investments</b>                                     | <b>-383</b>                     | <b>-36</b>                      |
| Cash inflow from non-controlling shareholders                         | 0                               | 0                               |
| Distribution of profits to non-controlling shareholders               | 0                               | 0                               |
| Dividend distribution   | 0                               | 0                               |
| Proceeds from the repayment of loans                                  | 0                               | 0                               |
| Outflows for the repayment of loans                                   | -215                            | -423                            |
| Increase in fixed liabilities   | 0                               | -13                             |
| <b>Cash flow from financing activities</b>                            | <b>-215</b>                     | <b>-436</b>                     |
| <b>Change in cash and cash equivalents</b>                            | <b>556</b>                      | <b>-250</b>                     |
| <b>Cash and cash equivalents at the start of the reporting period</b> | <b>8,810</b>                    | <b>4,224</b>                    |
| <b>Cash and cash equivalents at the end of the reporting period</b>   | <b>9,366</b>                    | <b>3,974</b>                    |

## Statement of changes in equity for the period by March 31, 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               |
| <b>As of January 1, 2012</b>                               | <b>4,949,999</b>   | <b>10,672,874</b> | <b>-92,385</b>           | <b>27,232</b>                | <b>3,500,315</b>     | <b>19,058,035</b>  | <b>-393,150</b>           | <b>18,664,885</b> |
| Dividend payment to shareholders                           | 0                  | 0                 | 0                        | 0                            | 0                    | 0  | 0                         | 0                 |
| <b>Transaction with associates and shareholders</b>        | <b>0</b>           | <b>0</b>          | <b>0</b>                 | <b>0</b>                     | <b>0</b>             | <b>0</b>   | <b>0</b>                  | <b>0</b>          |
| Group period result  | 0                  | 0                 | 0                        | 0                            | 132,598              | 132,598  | 3,565                     | 136,163           |
| Unrealised profits and losses from valuation of securities | 0                  | 0                 | 646,835                  | 0                            | 0                    | 646,835  | 0                         | 646,835           |
| Currency translation in group                              | 0                  | 0                 | 0                        | 3,326                        | 0                    | 3,326  | 3,196                     | 6,522             |
| <b>Total consolidated income</b>                           | <b>0</b>           | <b>0</b>          | <b>646,835</b>           | <b>3,326</b>                 | <b>132,598</b>       | <b>782,759</b>   | <b>6,761</b>              | <b>789,520</b>    |
| <b>As of March 31, 2012</b>                                | <b>4,949,999</b>   | <b>10,672,874</b> | <b>554,450</b>           | <b>30,558</b>                | <b>3,632,913</b>     | <b>19,840,794</b>  | <b>-386,389</b>           | <b>19,454,405</b> |
| <b>As of January 1, 2013</b>                               | <b>4,949,999</b>   | <b>10,711,677</b> | <b>144,916</b>           | <b>17,968</b>                | <b>3,209,505</b>     | <b>19,034,065</b>  | <b>-412,790</b>           | <b>18,621,275</b> |
| Dividend payment to shareholders                           | 0                  | 0                 | 0                        | 0                            | 0                    | 0  | 0                         | 0                 |
| <b>Transaction with associates and shareholders</b>        | <b>0</b>           | <b>0</b>          | <b>0</b>                 | <b>0</b>                     | <b>0</b>             | <b>0</b>   | <b>0</b>                  | <b>0</b>          |
| Group period result  | 0                  | 0                 | 0                        | 0                            | 255,078              | 255,078  | -7,615                    | 247,463           |
| Unrealised profits and losses from valuation of securities | 0                  | 0                 | 262,418                  | 0                            | 0                    | 262,418  | 0                         | 262,418           |
| Currency translation in group                              | 0                  | 0                 | 0                        | 8,271                        | 0                    | 8,271  | 7,946                     | 16,217            |
| <b>Total consolidated income</b>                           | <b>0</b>           | <b>0</b>          | <b>262,418</b>           | <b>8,271</b>                 | <b>255,078</b>       | <b>525,767</b>   | <b>331</b>                | <b>526,098</b>    |
| <b>As of March 31, 2013</b>                                | <b>4,949,999</b>   | <b>10,711,677</b> | <b>407,334</b>           | <b>26,239</b>                | <b>3,464,583</b>     | <b>19,559,832</b>  | <b>-412,459</b>           | <b>19,147,373</b> |

## Consolidated Statement of Comprehensive Income (IFRS) for the period from January 1, 2013 to March 31, 2013

|  | 01.01.-31.03.2013<br>EUR | 01.01.-31.03.2012<br>EUR |
|--|--------------------------|--------------------------|
| <b>Net earnings of the parent company's shareholders in the period concerned</b> | <b>255,078</b>           | <b>132,598</b>           |
| Profit of non-controlling shareholders   | -7,615                   | 3,565                    |
| <b>Group net profit for the period</b>   | <b>247,463</b>           | <b>136,163</b>           |
| Profit and losses from the revaluation of securities                             | 262,418                  | 646,835                  |
| Difference resulting from currency translation                                   | 16,217                   | 6,522                    |
| <b>Income and expenses directly included in equity capital</b>                   | <b>278,635</b>           | <b>653,357</b>           |
| <b>Total consolidated income</b>   | <b>526,098</b>           | <b>789,520</b>           |
| Of which for non-controlling shareholders  | 331                      | 6,761                    |
| Of which for parent company shareholders   | 525,767                  | 782,759                  |

## Segment Report for the period from January 1, 2013 to March 31, 2013

| According to product segments   | Healthcare Diagnostic<br>Jan.-March<br>TEUR | Med. Warming Systems<br>Jan.-March<br>TEUR | Cardio/<br>Stroke<br>Jan.-March<br>TEUR | Respiratory<br>Jan.-March<br>TEUR | Consolidation<br>Jan.-March<br>TEUR | Reconciliation<br>Jan.-March<br>TEUR | Total<br>Jan.-March<br>TEUR |
|---|---|--|---|-----------------------------------|-------------------------------------|--------------------------------------|-----------------------------|
| 2013  |   |  |   |                                   |                                     |                                      |                             |
| <b>Segment revenues</b>   | <b>3,765</b>                                | <b>245</b>                                 | <b>85</b>                               | <b>456</b>                        | <b>-189</b>                         | <b>12</b>                            | <b>4,374</b>                |
| <b>Operating results</b>  | <b>582</b>                                  | <b>9</b>                                   | <b>-28</b>                              | <b>68</b>                         | <b>-173</b>                         | <b>-36</b>                           | <b>422</b>                  |
| of which:   |   |  |   |                                   |                                     |                                      |                             |
| Amortisation of intangible assets and depreciation of tangible assets | 191   | 6  | 1                                       | 2                                 | -21                                 | 22                                   | 201                         |
| <b>Segment assets</b>   | <b>11,265</b>                               | <b>902</b>                                 | <b>156</b>                              | <b>771</b>                        | <b>0</b>                            | <b>13,493</b>                        | <b>26,587</b>               |
| <b>Segment liabilities</b>  | <b>7,535</b>                                | <b>162</b>                                 | <b>583</b>                              | <b>278</b>                        | <b>0</b>                            | <b>0</b>                             | <b>8,558</b>                |

| According to product segments   | Healthcare Diagnostic<br>Jan.-March<br>TEUR | Med. Warming Systems<br>Jan.-March<br>TEUR | Cardio/<br>Stroke<br>Jan.-March<br>TEUR | Respiratory<br>Jan.-March<br>TEUR | Consolidation<br>Jan.-March<br>TEUR | Reconciliation<br>Jan.-March<br>TEUR | Total<br>Jan.-March<br>TEUR |
|---|---|--|---|-----------------------------------|-------------------------------------|--------------------------------------|-----------------------------|
| 2012  |   |  |   |                                   |                                     |                                      |                             |
| <b>Segment revenues</b>   | <b>3,900</b>                                | <b>221</b>                                 | <b>60</b>                               | <b>281</b>                        | <b>-344</b>                         | <b>0</b>                             | <b>4,118</b>                |
| <b>Operating results</b>  | <b>226</b>                                  | <b>40</b>                                  | <b>-52</b>                              | <b>11</b>                         | <b>-189</b>                         | <b>112</b>                           | <b>148</b>                  |
| of which:   |   |  |   |                                   |                                     |                                      |                             |
| Amortisation of intangible assets and depreciation of tangible assets | 168   | 6  | 1                                       | 2                                 | -32                                 | 27                                   | 172                         |
| <b>Segment assets</b>   | <b>12,273</b>                               | <b>990</b>                                 | <b>201</b>                              | <b>626</b>                        | <b>0</b>                            | <b>9,661</b>                         | <b>23,751</b>               |
| <b>Segment liabilities</b>  | <b>4,798</b>                                | <b>252</b>                                 | <b>522</b>                              | <b>207</b>                        | <b>0</b>                            | <b>0</b>                             | <b>5,779</b>                |

| <b>According to regions</b>  | Germany            | Europe             | USA                | South America      | Others             | Total              |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| <b>2013</b>  | Jan.-March<br>TEUR | Jan.-March<br>TEUR | Jan.-March<br>TEUR | Jan.-March<br>TEUR | Jan.-March<br>TEUR | Jan.-March<br>TEUR |
| <b>Sales revenue</b>   | <b>693</b>         | <b>1,957</b>       | <b>375</b>         | <b>1,107</b>       | <b>431</b>         | <b>4,563</b>       |
| Elimination of intercompany Sales                                  | -111               | 0                  | 0                  | -78                | 0                  | -189               |
| <b>Sales revenue to third parties</b>                              | <b>582</b>         | <b>1,957</b>       | <b>375</b>         | <b>1,029</b>       | <b>431</b>         | <b>4,374</b>       |
| <b>Gross profit or loss</b>  | <b>314</b>         | <b>1,041</b>       | <b>200</b>         | <b>527</b>         | <b>229</b>         | <b>2,311</b>       |
| <b>Operating results</b>   | <b>62</b>          | <b>208</b>         | <b>40</b>          | <b>66</b>          | <b>46</b>          | <b>422</b>         |
| of which:  |                    |                    |                    |                    |                    |                    |
| Amortisation/depreciation of intangible assets and tangible assets | 34                 | 113                | 22                 | 7                  | 25                 | 201                |
| Amortisation of public grants and subsidies                        | 5                  | 16                 | 3                  | 0                  | 3                  | 27                 |
| <b>Acquisition costs of fixed assets for the period</b>            | <b>242</b>         | <b>0</b>           | <b>0</b>           | <b>8</b>           | <b>0</b>           | <b>250</b>         |
| <b>Segment assets</b>  | <b>24,167</b>      | <b>0</b>           | <b>0</b>           | <b>2,420</b>       | <b>0</b>           | <b>26,587</b>      |

| <b>According to regions</b>  | Germany            | Europe             | USA                | South America      | Others             | Total              |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| <b>2012</b>  | Jan.-March<br>TEUR | Jan.-March<br>TEUR | Jan.-March<br>TEUR | Jan.-March<br>TEUR | Jan.-March<br>TEUR | Jan.-March<br>TEUR |
| <b>Sales revenue</b>   | <b>562</b>         | <b>1,514</b>       | <b>219</b>         | <b>1,485</b>       | <b>682</b>         | <b>4,462</b>       |
| Elimination of intercompany Sales                                  | -140               | 0                  | 0                  | -204               | 0                  | -344               |
| <b>Sales revenue to third parties</b>                              | <b>422</b>         | <b>1,514</b>       | <b>219</b>         | <b>1,281</b>       | <b>682</b>         | <b>4,118</b>       |
| <b>Gross profit or loss</b>  | <b>232</b>         | <b>832</b>         | <b>120</b>         | <b>758</b>         | <b>375</b>         | <b>2,317</b>       |
| <b>Operating results</b>   | <b>8</b>           | <b>30</b>          | <b>4</b>           | <b>92</b>          | <b>14</b>          | <b>148</b>         |
| of which:  |                    |                    |                    |                    |                    |                    |
| Amortisation/depreciation of intangible assets and tangible assets | 24                 | 87                 | 13                 | 9                  | 39                 | 172                |
| Amortisation of public grants and subsidies                        | 3                  | 10                 | 1                  | 0                  | 5                  | 19                 |
| <b>Acquisition costs of fixed assets for the period</b>            | <b>316</b>         | <b>0</b>           | <b>0</b>           | <b>15</b>          | <b>0</b>           | <b>331</b>         |
| <b>Segment assets</b>  | <b>21,867</b>      | <b>0</b>           | <b>0</b>           | <b>1,884</b>       | <b>0</b>           | <b>23,751</b>      |

## Notes to the consolidated interim financial statement for the period from 1 January 2013 to 31 March 2013

### Accounting and valuation methods

The consolidated interim financial statement of Geratherm Medical AG as of 31 March 2013 was drawn up in accordance with the valid International Financial Reporting Standards (IFRS) and the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) as of the balance sheet date, the application of which is compulsory in the European Union.

The accounting, valuation and consolidation principles were retained, as shown in the annex of the consolidated financial statement 2012.

The valuation of assets and liabilities is partially based on estimates and assumptions on future developments, meaning the specification of economic useful lives for non-current assets in particular is also based on such assumptions and estimates. In addition, an impairment test is performed on deferred taxes levied on tax losses carried forward as well as impairment tests for cash-generating units and assets on the corporate planning, which naturally involves uncertainties, meaning that in individual cases, the actual values may vary from the assumptions and estimates made. Estimates and the underlying assumptions are regularly checked and assessed for possible impacts on the accounting.

### Consolidated companies

As of 31 March 2013 there were no changes in the consolidated companies:

| Company   | Holding<br>31.03.2013 | Holding<br>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

Growth in equity capital was shown in the consolidated equity capital alterations statement.

The subscribed capital of Geratherm Medical AG as of 31.03.2013 amounted to 4,949,999 EUR in total (p.y. 4,949,999 EUR), which was divided into 4,949,999 (p.y. 4,949,999) non-par bearer shares. The subscribed capital is fully paid-up. As of the balance sheet date, no treasury stock was held by the company.



## CORPORATE CALENDER 2013

|   |              |
|---|--------------|
| Annual General Meeting in Ilmenau, „Hotel Tanne“, 14.00 Uhr | 07. June     |
| Investor/ Analysts`Conference in Hamburg                    | 21. November |
| Interim Report 2nd quarter                                  | 22. August   |
| Interim Report 3rd quarter                                  | 21. November |

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