

Geratherm[®]

Investing in Health Care

Interim Report
1st Quarter of 2009

GERATHERM

AT A GLANCE

Group financial ratio	Jan.-March 2009	Jan.-March 2008	Change
Turnover	3,113 kEUR	2,308 kEUR	34.9%
Including export share	2,386 kEUR	1,764 kEUR	35.3%
Export rate	77 %	76 %	1.3%
Gross result (EBITDA)	575 kEUR	192 kEUR	199.1%
EBITDA - margin	18.5 %	8.3 %	122.9%
Depreciation	-75 kEUR	-77 kEUR	-2.3%
Operating results (EBIT)	500 kEUR	115 kEUR	332.5%
Financial result	-449 kEUR	7 kEUR	-
Result of ordinary activities	51 kEUR	122 kEUR	-58.7%
Net earnings of the parent company's shareholders in the period concerned	82 kEUR	124 kEUR	-33.9%
Long-term assets	5,458 kEUR	5,238 kEUR	4.2%
Short-term assets	9,872 kEUR	11,270 kEUR	-12.4%
Balance sheet total	15,330 kEUR	16,508 kEUR	-7.1%
Equity capital	12,827 kEUR	14,571 kEUR	-12.0%
Equity return	2.6 %	3.4 %	-24.9%
Equity ratio	83.7 %	88.3 %	-5.2%
Cash and securities	4,694 kEUR	6,294 kEUR	-25.4%
Result per share pursuant to IFRS (EPS)*	0.02 EUR	0.03 EUR	-33.3%
Result per share pursuant to DVFA*	0.02 EUR	0.03 EUR	-33.3%
Number of employees at end of the period	92	83	10.8%
No-par shares	4,500,000	4,500,000	
* relating to non-par shares in circulation	4,500,000	4,500,000	

Course of Business from 1 January to 31 March 2009

- Turnover EUR 3.1 Mio +34.9 %
- EBITDA margin 18.5 % (p.y.: 8.3 %)
- Operating results EBIT kEUR 500 (p. y.: kEUR 115)
- Earnings per share 2 cents (p.y.: 3 cents)

Dear shareholders of and interested parties in Geratherm Medical,

Geratherm's first quarter of the business year 2009 started off very positively. Nearly all product areas enjoyed an exceptionally good demand. We were able to record the highest quarter-on-quarter growth ever with an increase of 34.9 % in the first quarter 2009.

The German market contributed impetus towards growth with a plus of 33.5 % as well as the rest of Europe with a plus of 55.9 %. The positive business development was supported by almost all product areas. The order situation for future quarters of the business year 2009 is also very satisfying, so that we expect a continuation of the current developments.

The expansion of the business volume was predominantly effected by innovative products. This led to a significant increase in the business earning quality. Compared with the same period last year, the gross result (EBITDA) was nearly tripled in the first quarter to reach kEUR 575. The EBITDA margin increased to 18.5 % (p.y.: 8.3 %). Due to the still weak capital markets on 31 March 2009, a renewed correction of the book values of financial assets became necessary in the amount of kEUR 471. A quarterly result of 2 cents (p.y.: 3 cents) per share was achieved in total. As the capital markets have recovered significantly since March of this year, we expect positive contributions from the financial results in the course of the year.

Facts and Figures

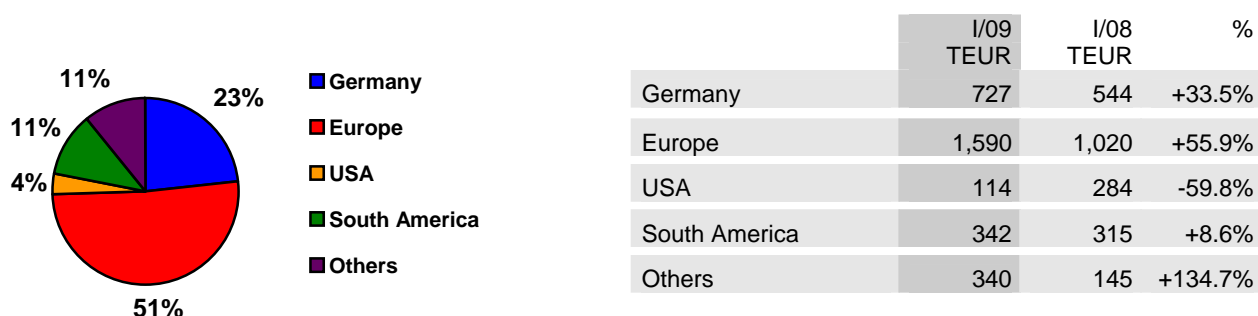
(in kEUR)

	I/09	IV/08	III/08	II/08	I/08
Turnover	3,113	2,722	2,621	2,428	2,308
EBITDA	18.5%	8.9%	8.8%	9.6%	8.3%
EBIT	500	168	160	151	115
EPS (EUR)	0.02	-0.80	0.08	0.04	0.03
Cash flow	584	179	191	241	164

Turnover development

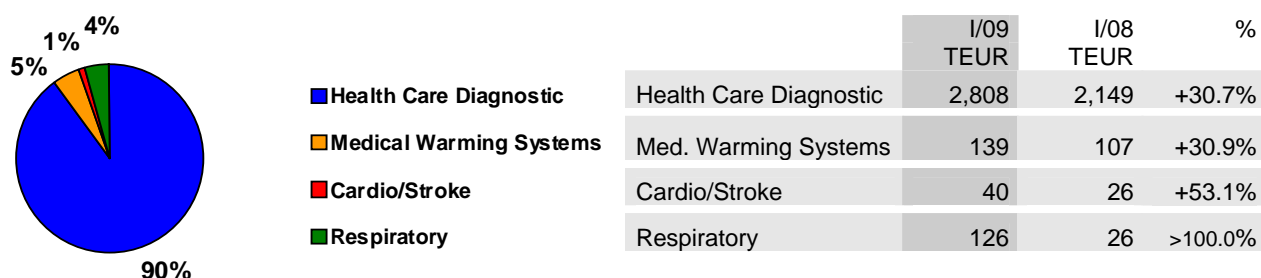
The dynamic turnover development exceeded our plan targets. The growth was achieved by the acceptance of newly introduced products as well as by the strong demand for gallium products. The new product areas Respiratory and apoplex, whose turnover was generated predominantly domestically, registered above-average growth impetus. Compared with the same period last year, the turnover growth in Germany amounted to +33.5 %. The other markets in Europe achieved an above-average corporate growth with a plus of 55.9 %. The USA's turnover dropped clearly by minus 59.8 %, as compared with the same period last year. Essentially, this resulted from a postponement of orders. Our sales to South America increased slightly by 8.6 % in the first quarter of 2009. The export share of the overall sales remained at the same level as the year before. Overall, 76.7 % of the Geratherm products are sold outside Germany.

Turnover according to region 01.01.- 31.03.2009



Products from the area of Health Care Diagnostics, which are marketed internationally to pharmacies and clinics, represented the mainstay of Geratherm Medical turnover with a share of 90.2 %. Thermometers filled with gallium (41.3 %) and blood pressure monitors (20.2 %) represent the main products in this area.

Turnover according to product groups 01.01.- 31.03.2009



The turnover in the area of Health Care Diagnostics could be increased significantly by 30.7 % in the first quarter 2009. Still on a low turnover level, the sales in the area of Medical Warming Systems increased by + 30.9 %, as compared with the quarter of the previous year. Significant sales increases were also achieved by the more recent areas of Cardio/Stroke and Respiratory.

The relatively new segments of Medical Warming Systems, Cardio/Stroke and Respiratory reflect a sales share of 9.8 % of Geratherm Medical's overall sales and continue to develop dynamically.

Earnings situation

Geratherm Medical's earnings situation increased significantly in the first quarter of the business year 2009, as compared with the same period last year.

It was possible to increase the business gross profit by 39.1 % to reach kEUR 1,924. The gross margin of the turnover increased slightly by 1.8 % to reach 61.8 %. The gross result (EBITDA) increased to reach kEUR 575 for the first quarter and was therefore three times as high as in the comparative period of the previous year. The EBITDA margin also increased significantly from 8.3 % to 18.5 %. The operating result (EBIT) enjoyed an above-average increase, too, to reach kEUR 500 (p. y.: kEUR 115).

Towards the end of the first quarter, book value depreciations of financial assets, relating solely to the balance sheet date, were necessary in the amount of kEUR 471. Due to the IFRS regulations, these had to be accounted for in the profit or loss accounts. Including these temporary depreciations, an accounting income was recorded for the shareholders of the parent company in the amount of kEUR 82 (p.y.: 124). The earnings per share amount to EUR 0.02 (p.y.: EUR 0.03).

Assets and financial situation

The company Geratherm Medical features a sound financial base. The balance sum of EUR 15.3 Mio is constituted mainly by equity capital. The equity capital ratio amounted to 83.7 % and was thus a little lower than in the comparative period of the previous year. As per 31 March 2009, the company held cash and securities in the amount of EUR 4.7 Mio. (p.y.: EUR 6.3 Mio).

The balance sheet items of the assets remained essentially the same. As bigger development projects were completed, there was no significant addition to the item of intangible assets. With kEUR 1,762, the tangible fixed assets remained on the level of the previous year. The stock of inventory amounted to kEUR 2,912 and was slightly below last year's level, despite a significant increase in turnover. The receivables and other assets increased by + 5.7 % to reach kEUR 2,265. The stock of securities was reduced to kEUR 2,581 due to depreciation and through the sale of the Anadys position. The cash held by the company increased significantly from kEUR 1,373 to reach kEUR 2,113.

In the first quarter 2009, the gross cash flow amounted to kEUR 584 (p.y.: kEUR 164). The cash flow from the operating activity enjoyed an above average increase to kEUR 748 (p.y.: kEUR 377). There was no significant cash flow from investments and financing activity to be registered. The cash changed during the first quarter by kEUR +740. The cash at the end of the period under review amounted to kEUR 2,113 (p.y.: kEUR 1,326).

Research and development

In the first quarter of the business year 2009, a large part of the research and development projects of the previous years could be completed. This concerned the product area of Warming Systems but also the product developments in the area of Respiratory. A large part of the new products are currently launched commercially.

Personnel

The Geratherm Group employed a total of 92 staff members on 31 March 2009 (p.y.: 83 staff members). A total of 90.2 % of the personnel was employed in Germany. The growth in workforce resulted from the expansion of production in the area of gallium thermometers.

Outlook

Following the good first quarter, Geratherm's Management Board expects a further positive course of business for the year 2009. The growth rates of the first quarter are likely to be continued in the coming quarters. Furthermore, we assume that the earning quality can be held at this good level throughout the current business year. We expect a positive effect due to decreasing raw material prices and an end to loss allocations from the operational business of the areas of Respiratory and Warming Systems. Due to the sound asset situation and healthy capital structure, Geratherm Medical has good prerequisites to finance the planned growth and to cushion possible risks financially.

We are delighted to welcome our shareholders to this year's Shareholders' Meeting at the "Hessischer Hof" hotel in Frankfurt on Main, on 8 June 2009, at 02.00 pm. We are happy to answer any additional questions throughout that day.

Geschwenda, May 2009



Dr. Gert Frank
Chair of the Board



Thomas Robst
Head of Marketing and Sales

Statement of comprehensive income for the period 1 January 2009 to 31 March 2009

	Jan.- March 2009 EUR	Jan.- March 2008 EUR	Change
Turnover	3,112,599	2,307,904	34.9%
Change in inventories of finished products and work in progress	-7,596	-89,507	-91.5%
Other internally produced and capitalised assets	15,782	72,853	-78.3%
Other operating revenue	136,060	39,914	240.9%
	3,256,845	2,331,164	39.7%
Material input			
Expenditure for raw materials and supplies			
and for purchased goods	-1,278,187	-875,558	46.0%
Expenditure for purchased services	-54,560	-72,061	-24.3%
	-1,332,747	-947,619	40.6%
Gross profit	1,924,098	1,383,545	39.1%
Personnel costs			
Wages and salaries	-570,558	-521,023	9.5%
Social welfare contributions and expenditure for old-age provision	-125,922	-111,413	13.0%
	-696,480	-632,436	10.1%
Amortisation of intangible assets and depreciation of property, plant and equipment	-74,731	-76,514	-2.3%
Other operating expenses	-653,003	-559,006	16.8%
Operating results	499,884	115,589	332.5%
Income from dividends	0	0	-
Income from the sale of securities	25,258	0	-
Losses of securities	-471,193	0	-
Expenditure from securities	-1,354	-2,960	-54.3%
Other interest and similar income	6,591	16,119	-59.1%
Interests and similar expenses	-8,636	-6,259	38.0%
Financial result	-449,334	6,900	-
Profit (loss) on ordinary activities	50,550	122,489	-58.7%
Taxes on income and profits	-30,562	-22,759	34.3%
Group net profit for the period	19,988	99,730	-80.0%
Minority interests result	-62,174	-24,517	153.6%
Net earnings of the parent company's shareholders in the period concerned	82,162	124,247	-33.9%
EBITDA	574,615	192,103	199.1%
Result per share undiluted	0.02	0.03	-33.3%

Statement of financial position as at the end of the period by 31 March 2009

Assets	31. March 2009 EUR	31. December 2008 EUR	Change
A. Long-term assets			
I. Intangible assets			
1. Development costs	939,945	923,601	1.8%
2. Software	47,573	45,115	5.4%
3. Goodwill	75,750	75,750	0.0%
	1,063,268	1,044,466	1.8%
II. Fixed assets			
1. Land property and buildings	1,255,789	1,274,431	-1.5%
2. Technical equipment and machinery	300,855	299,297	0.5%
3. Other plant, operating and commercial equipment	142,725	151,131	-5.6%
4. Plant under construction	62,372	38,773	60.9%
	1,761,741	1,763,632	-0.1%
III. Deferred taxes	2,633,646	2,664,208	-1.1%
	5,458,655	5,472,306	-0.2%
B. Short-term assets			
I. Supplies			
1. Raw materials and supplies	816,464	839,951	-2.8%
2. Unfinished products	449,908	475,214	-5.3%
3. Finished products and goods	1,645,853	1,765,298	-6.8%
	2,912,225	3,080,463	-5.5%
II. Receivables and other assets			
1. Receivables from deliveries and services	2,107,821	1,978,498	6.5%
2. Tax receivables	57,624	64,009	-10.0%
3. Other assets	99,687	100,387	-0.7%
	2,265,132	2,142,894	5.7%
III. Securities	2,581,321	2,991,346	-13.7%
IV. Cash and cash equivalents	2,113,089	1,373,438	53.9%
	9,871,767	9,588,141	3.0%
	15,330,422	15,060,447	1.8%
Equity and Liabilities			
A. Equity capital			
I. Subscribed capital	4,500,000	4,500,000	0.0%
II. Capital reserves	7,570,000	7,570,000	0.0%
III. Other reserves	776,909	524,692	48.1%
Attribute to shareholders of the parent company	12,846,909	12,594,692	2.0%
Minority interests	-20,160	52,386	>100.0%
	12,826,749	12,647,078	1.4%
B. Long-term debts			
1. Accrued investment cost	505,285	516,348	-2.1%
2. Other long-term liabilities	425,329	405,329	4.9%
	930,614	921,677	1.0%
C. Short-term debts			
1. Liabilities to banks	630,352	669,843	-5.9%
2. Down payments received	41,593	0	
3. Liabilities from deliveries and services	388,439	363,247	6.9%
4. Tax liabilities	41,753	36,028	15.9%
5. Other liabilities	470,922	422,574	11.4%
	1,573,059	1,491,692	5.5%
	15,330,422	15,060,447	1.8%

Statement of cash flow for the period 01 January 2009 to 31 March 2009

	Jan.- March 2009 kEUR	Jan.- March 2008 kEUR
Group net profit for the period	20	100
Other non-cash expenditure/income	20	-16
Dividend income	0	0
Interest earned	-7	-16
Interest paid	9	6
Decrease in deferred tax assets	31	23
Depreciation on fixed assets	75	77
Income from the sale of securities	-25	0
Losses from valuation of securities	471	0
Amortisation of grants and subsidies	-11	-11
Losses on disposal of fixed assets	1	1
Gross cash flow	584	164
Decrease in supplies	168	23
Decrease / increase in receivables from deliveries and services and other assets	-122	45
Increase in short-term payables and other liabilities	120	135
Income from dividends	0	0
Interest income	7	16
Interest outflow	-9	-6
Cash flow from operating activities	748	377
Expenses for investments in fixed assets	-93	-185
Payment received owing to financial investments	192	0
Expenses owing to financial investments	-68	-970
Cash flow from investment activities	31	-1,155
Flow of funds from minority interest	0	0
Dividend payoffs	-20	-6
Decrease in loan liabilities	-39	0
Purchase of own shares	0	-9
Sale of own shares	0	9
Assumption of short-term liabilities	20	25
Cash flow from financing activities	-39	19
Change in amount of available cash and cash equivalents	740	-759
Cash and cash equivalents at the start of the reporting period	1,373	2,085
Cash and cash equivalents at the end of the reporting period	2,113	1,326

Statement of changes in equity for the period by 31. March 2009

	Subscribed capital	Capital reserves	Other reserves			Assignable to the shareholders of the parent company	Shares of other partners	Equity capital
			Market valuation reserve	Currency conversion reserves	Cumulative profits			
	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
1. January 2008	4,500,000	7,570,000	-717,064	10,268	4,890,131	16,253,335	124,808	16,378,143
Purchase of own shares	-2,000	-7,000				-9,000		-9,000
Sale of own shares	2,000	7,000				9,000		9,000
Dividend payouts to minority shareholders							-6,305	-6,305
Total Group income			-1,885,237	-7,960	124,247	-1,768,950	-32,165	-1,801,115
31. March 2008	4,500,000	7,570,000	-2,602,301	2,308	5,014,378	14,484,385	86,338	14,570,723
1. January 2009	4,500,000	7,570,000	-71,885	-22,937	619,514	12,594,692	52,386	12,647,078
Dividend payouts to minority shareholders							-20,107	-20,107
Total Group income			159,922	10,133	82,162	252,217	-52,439	199,778
31. March 2009	4,500,000	7,570,000	88,037	-12,804	701,676	12,846,909	-20,160	12,826,749

Statement of total income in compliance with IFRS for the period 1 January to 31 March 2009

	01.01.-31.03.2009 EUR	01.01.-31.03.2008 EUR
Net earnings of the parent company's shareholders in the period concerned	82,162	124,247
Minority interests result	-62,174	-24,517
Group net profit for the period	19,988	99,730
Profit and losses from the revaluation of securities	159,922	-1,885,237
Difference resulting from currency conversion	19,868	-15,608
Income and expenses directly recorded in equity capital	179,790	-1,900,845
of which allotted to minorities	199,778	-1,801,115
of which allotted to shareholders of the parent company	-52,439	-32,165
based on product groups	252,217	-1,768,950

Segment Report for the period from 1 January 2009 to 31 March 2009

In the present accounts, the operational segments were restructured in line with our internal reporting system, according to IFRS 8, which is mandatory from 1 January 2009. Management decided to combine the segments of Analogue Diagnostic Products and Digital Diagnostic Products, recorded separately in previous years, to form the new Health Care Diagnostics segment. The Medical Warming Systems, Cardio/Stroke and Respiratory segments were taken out of the Others segment to form a new segment each. The further divisions also included in the Others segment were reallocated to the Health Care Diagnostics segment.

In terms of the individual segments, Geratherm Medical AG's internal short-term reporting to management includes an income statement comprising also the operating results. The present segment report covers segment turnover, operating results as well as depreciation. The stated values match the internal reporting system. Effects from the consolidation of earnings, expenses, assets and debts among the segments are eliminated. The consolidation concerns essentially the Health Care Diagnostics segment. Reconciliation depicts earnings, expenses and assets respectively, which cannot be allocated directly to the segments. Segment assets and segment debts are not part of our internal reporting system. The values were assigned directly to the segments.

By Product Areas	Health Care Diagnostic Jan.-March 2009 TEUR	Medical Warming Systems Jan.-March 2009 TEUR	Cardio /Stroke Jan.-March 2009 TEUR	Respiratory Jan.-March 2009 TEUR	Consolidation Jan.-March 2009 TEUR	Reconciliation Jan.-March 2009 TEUR	Total Jan.-March 2009 TEUR
Turnover	2,899	142	37	126	-96	5	3,113
Operating results	594	18	-60	-50	30	-32	500
of which:							
Amortisation of intangible assets and depreciation of property, plant and equipment	29	4	4	2	10	26	75
Segment assets	6,226	839	355	592	-	4,685	12,697
Segment debts	1,770	63	467	204	-	0	2,504

By Product Areas	Health Care Diagnostic Jan.-March 2008 TEUR	Medical Warming Systems Jan.-March 2008 TEUR	Cardio /Stroke Jan.-March 2008 TEUR	Respiratory Jan.-March 2008 TEUR	Consolidation Jan.-March 2008 TEUR	Reconciliation Jan.-March 2008 TEUR	Total Jan.-March 2008 TEUR
Turnover	2,294	107	26	26	-145	0	2,308
Operating results	257	-13	-74	-86	78	-47	115
of which:							
Amortisation of intangible assets and depreciation of property, plant and equipment	32	3	6	2	0	34	77
Segment assets	5,998	768	406	354	-	6,243	13,769
Segment debts	1,358	76	423	80	-	0	1,937

The segmentation by region is based on the sales markets of the Group. Compared with last year, it now includes also the South America segment, hitherto held in the Others segment. The reporting items per segment were retained.

By Region	Germany Jan.- März 2009 TEUR	Europe Jan.- März 2009 TEUR	USA Jan.- März 2009 TEUR	South America Jan.- März 2009 TEUR	Other Jan.- März 2009 TEUR	Total Jan.- März 2009 TEUR
Turnover	835	1,590	114	438	340	3,317
Elimination of intragroup turnover	-108	0	0	-96	0	-204
Turnover to third parties	727	1,590	114	342	340	3,113
Gross profit	463	918	66	281	196	1,924
Operating results	138	272	20	12	58	500
Of which:						
Amortisation of intangible assets and depreciation of property, plant and equipment	20	39	3	5	8	75
Amortisation of subsidies and allowances	3	6	1	0	1	11
Acquisition cost for fixed assets in the period	81	0	0	12	0	93
Book value of segment assets	11,961	0	0	736	0	12,697

By Region	Germany Jan.- März 2008 TEUR	Europe Jan.- März 2008 TEUR	USA Jan.- März 2008 TEUR	South America Jan.- März 2008 TEUR	Other Jan.- März 2008 TEUR	Total Jan.- März 2008 TEUR
Turnover	652	1,020	284	460	145	2,561
Elimination of intragroup turnover	-108	0	0	-145	0	-253
Turnover to third parties	544	1,020	284	315	145	2,308
Gross profit	317	604	168	208	87	1,384
Operating results	23	44	12	30	6	115
Of which:						
Amortisation of intangible assets and depreciation of property, plant and equipment	20	38	10	4	5	77
Amortisation of subsidies and allowances	3	5	1	1	1	11
Acquisition cost for fixed assets in the period	182	0	0	3	0	185
Book value of segment assets	13,101	0	0	668	0	13,769

Explanations concerning the interim group statement of the period 1 January to 31 March 2009

Methods of accounting and valuation

Geratherm Medical AG's unaudited interim group statement for the first quarter of 2009 has been drawn up in compliance with the International Financial Reporting Standards (IFRS) and the interpretations provided by the International Financial Reporting Interpretations Committee (IFRIC) that were valid on the reference date, the application of which is required bindingly by the European Union.

The mandatory standards IFRS 8 and the revised IAS 1, to be applied by 1 January 2009, led to amendments in the interim group statement. Segment reporting was revised according to IFRS 8, also compare segment reporting on this. The group statement of changes of shareholders' equity representation in relation to income and expenses, which are directly included in the equity capital, was amended according to IAS 1. For the first time, these were depicted in a statement of total income. Last year's comparative numbers were adjusted appropriately. There were no effects on the asset situation, financial assets or profit situation.

The principles of accounting, valuation and consolidation were retained as described in the notes to the consolidated financial statements for 2008.

The evaluation of assets and liabilities is based partly on estimates or assumptions about future developments. The evaluation of the intrinsic value of the deferred tax accrual on the carryover of accumulated losses and the capitalised development costs is based on the company's planning, which is, of course, subject to uncertainties, so that in some cases, the actual values may 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 Group

There were no changes to the consolidated group of companies during the first quarter of 2009.

Long-term assets

As per 31 March 2009, development cost for internally created intangible assets amounting to kEUR 41 (p.y.: kEUR 91) was capitalised. A further kEUR 52 (p.y.: kEUR 94) was capitalised for investments to replace production plant and other business equipment.

Short-term assets

Significant changes to the short-term assets are mainly to be found in the items of Securities and Cash. As per 31 March 2009, the stock of securities increased by kEUR 68 (p.y.: kEUR 970) as a result of exercising options. The sale of shares of Anadys Pharmaceutical Inc. led to the settlement of the valuation adjustments amounting to kEUR - 72, which were recorded in the market valuation reserves as not affecting net income, as per 31 December 2009, and to a profit amounting to kEUR 25 recorded in the profit and loss accounts. As per 31 March 2009, the acquisition costs amounted to kEUR 6,981 (p.y.: kEUR 7,569), whereas the value of the stocks according to the prices on the reference date of 31 March 2009 was kEUR 2,581 (p.y.: kEUR 4,967).

Based on the decline in value amounting to kEUR 4,017, recorded with effect on the net income as per 31 December 2009, further declines in value with effect on the net income amounting to kEUR 471 were recorded. As reversing write-downs is not permitted, the necessary revaluation in the amount of kEUR 88 was recorded in the market valuation reserves, not affecting net income. Last year, the reference date-related book losses amounting to kEUR 2,602, as per 31 March 2008, were recorded in the equity as market valuation reserves.

The change in the amount of available cash and cash equivalents amounts to a total of kEUR 740 (p.y.: kEUR -759) and is to be ascribed to the cash flow from operating activities.

Equity capital

Geratherm Medical AG's total subscribed capital as per 31 March 2009 amounted to EUR 4,500,000 and is divided into 4,500,000 ordinary bearer shares with no par value. The subscribed capital is fully paid up. The number of shares in circulation was 4,500,000 as per 31 March 2009.

The development of the equity capital has been presented in the group's statement of changes in equity. According to the amendments of IAS 1, the total income is now only considered as balance. We carried out the break down in the statement of total income.

Financial Calendar 2009

Geratherm Conference of Analysts/

Annual General Meeting

6/08/2009

Hotel „Hessischer Hof“ in Frankfurt/Main

Quarterly Reports 1. Quarter

8/20/2009

Quarterly Report 2. Quarter

11/19/2009



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