

# Geratherm®

Investing in Health Care

Half-yearly Report  
2009

## GERATHERM

## AT A GLANCE

Group financial ratio	Jan.-June 2009	Jan.-June 2008	Change
<b>Turnover</b>	6,345 kEUR	4,736 kEUR	34.0%
Including export share	5,086 kEUR	3,740 kEUR	36.0%
Export rate	80 %	79 %	1.3%
Gross result (EBITDA)	1,115 kEUR	424 kEUR	162.9%
<b>EBITDA - margin</b>	17.6 %	9.0 %	95.6%
Depreciation	-151 kEUR	-158 kEUR	-4.1%
<b>Operating results (EBIT)</b>	964 kEUR	266 kEUR	261.8%
Financial result	-34 kEUR	48 kEUR	
Result of ordinary activities	930 kEUR	314 kEUR	195.6%
<b>Net earnings of the parent company's shareholders in the period concerned</b>	912 kEUR	296 kEUR	207.5%
Long-term assets	5,685 kEUR	5,343 kEUR	6.4%
Short-term assets	11,380 kEUR	10,147 kEUR	12.2%
Balance sheet total	17,065 kEUR	15,490 kEUR	10.2%
Equity capital	14,297 kEUR	13,352 kEUR	7.1%
Equity return	12.8 %	4.4 %	>100.0%
Equity ratio	83.8 %	86.2 %	-2.8%
Cash and securities	5,845 kEUR	5,048 kEUR	15.8%
<b>Result per share pursuant to IFRS (EPS)*</b>	0.20 EUR	0.07 EUR	185.7%
Result per share pursuant to DVFA*	0.20 EUR	0.07 EUR	185.7%
Number of employees at end of the period	102	83	22.9%
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 30 June 2009

- Turnover results EUR 6.3 million +34 %
- Operating results EBIT kEUR 964 (p. y.: kEUR 266)
- Period results kEUR 912 (p. y.: kEUR 296)
- Earnings per share 20 cents (p. y.: 7 cents)

Dear shareholders of and interested parties in Geratherm Medical,

The operational business development during the 2<sup>nd</sup> quarter was able to pick up on the good results of the first quarter of 2009. More or less all product divisions recorded an above average growth. Geratherm Medical was able to clinch a growth of +33.1 % in the 2<sup>nd</sup> quarter of 2009 as compared to the same period of the previous year. The overall performance during the 2<sup>nd</sup> quarter even increased by 40.2 % as compared to the previous year.

The corporate growth is based on the strong demand for Geratherm products. Above average growth impulses came from the European market with a plus of 46.7 %. The German market, too, recorded a satisfactory turnover plus of 26.3 %. The expansion of the business volume was supported by the implementation of the EU mercury ban in individual countries, but is also due to the introduction of new products.

With the extension of the turnover, the earnings quality of the company improved considerably during the 2<sup>nd</sup> quarter. The operating results (EBIT) tripled to reach kEUR 464 as compared to the same period last year. The financial results of the 2<sup>nd</sup> quarter were also able to yield earnings in the amount of kEUR 415. All in all, the earnings per share for the shareholders of the parent company for the 2<sup>nd</sup> quarter amounted to kEUR 830 (+381.6 %) or 18 cents per share (previous year: 4 cents).

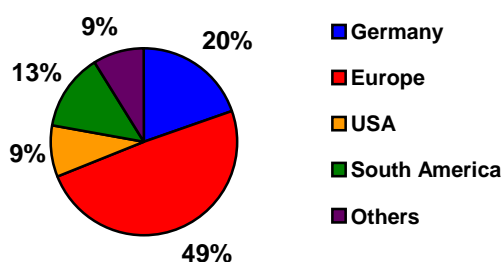
### Facts and figures (in kEUR)

	II/09	I/09	IV/08	III/08	II/08
Turnover	3,232	3,113	2,722	2,621	2,428
EBITDA	16.7%	18.5%	8.9%	8.8%	9.6%
EBIT	464	500	168	160	151
EPS (EUR)	0.18	0.02	-0.80	0.08	0.04
Cashflow	1,132	584	179	191	241

## Turnover development

The dynamic turnover development of +34.0 % as compared to the previous year exceeded our plan targets. The growth resulted from a strong demand for gallium products but also from the good market acceptance of newly introduced Geratherm products. Above average growth impulses were recorded for the new product divisions of Respiratory and apoplex, whose turnover was mainly generated in Germany. The export business amounted to EUR 5.1 million and thus represented more than 80 % of the turnover. In Germany, the turnover growth was +26.3 % as compared to the 1<sup>st</sup> half of last year. The remaining sales markets in Europe contributed an overproportionate plus of 46.7 % to corporate growth. The sales market in the USA achieving a plus of 15.7 % during the first six months of the current business year was significantly higher than the comparative period of the previous year. Sales in South America also increased by 10.7 % as compared to the previous year.

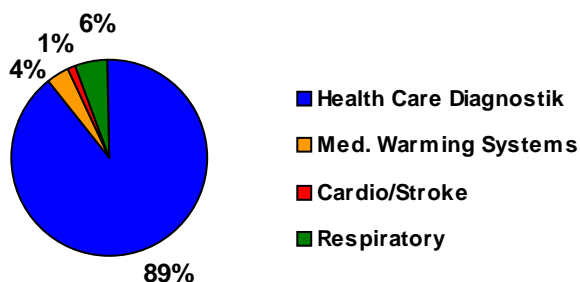
## Turnover according to regions 01/01- 30/06/2009



	1 <sup>st</sup> half 2009 kEUR	1 <sup>st</sup> half 2008 kEUR	
Germany	1,259	996	+26.3%
Europe	3,106	2,118	+46.7%
USA	568	490	+15.7%
South America	846	764	+10.7%
Others	566	367	+54.3%

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 89.4 %. Thermometers filled with gallium (44.0 %) and blood pressure meters (17.1 %) represent significant products in this area.

## Turnover according to product groups 01/01- 30/06/2009



	1 <sup>st</sup> half 2009 kEUR	1 <sup>st</sup> half 2008 kEUR	
Health Care Diagnostics	5,675	4,373	+29.8%
Med. Warming Systems	242	190	+27.6%
Cardio/Stroke	78	52	+48.1%
Respiratory	350	121	>100.0%

Supported by the mercury ban as of 4 April 2009, the turnover in the area of Health Care Diagnostics could be increased by 29.8 % during the first half of 2009. The new product divisions of Cardio/Stroke and Respiratory are still at a low turnover level but were also able to achieve significant increases in turnover.

## Earnings situation

The earnings situation of Geratherm Medical has improved significantly as compared to the same period of the previous year. The gross profit could be augmented in line with the increase in the overall performance. The gross margin of turnover amounted to 63.1 % during the first half of 2009. The gross result (EBITDA) increased to reach kEUR 1,115 during the first half and was thus nearly three times as high as in the comparative period of last year. The EBITDA margin also rose significantly from 9.0 % to 17.6 %. The operating result (EBIT) increased above average, too, during the first half of 2009 to reach kEUR 964 (previous year: kEUR 266).

The balanced financial result for the first half of 2009 amounted to kEUR -34. The loss recorded for the 1<sup>st</sup> quarter of 2009 could be more or less balanced out with the profits made in the 2<sup>nd</sup> quarter of 2009. The market fluctuations of the securities were included in the item of equity capital called market valuation reserves. The profits from the new evaluation of the securities, including the currency conversion, amounted to kEUR 828, which were directly recorded in the equity capital. Thus, the overall group earnings from the group period results and the re-evaluation of the securities amounted to kEUR 1.670 (previous year: kEUR -1.670) for the period of 01/01- 30/06/2009.

The results from the ordinary business activities of the company increased significantly to kEUR 930 (previous year: kEUR 314). During the first half of 2009, a period result of kEUR 912 (previous year: kEUR 296) was achieved for the shareholders of the parent company. The result per share for the 1<sup>st</sup> half of 2009 amounted to 20 cents (previous year: 7 cents).

## Assets and financial situation

The company Geratherm Medical featured a sound financial situation on 30 June 2009. The balance sum of EUR 17.1 million is constituted mainly by equity capital (EUR 14.3 million). The equity capital ratio amounted to 83.8 %. As per 30 June 2009, the company held cash and securities in the amount of EUR 5.9 million. (previous year: EUR 5.1 million).

The increase in the balance sum by EUR 2 million to meanwhile EUR 17.1 million is due to the increase in fixed assets (kEUR +256) and the recovery in the value of the securities.

The value of the fixed assets amounted to kEUR 2,020 (+14.5 %). The stock of inventory amounted to kEUR 3,110 (+ 1 %) and thus stood at last year's level, despite a significant expansion in turnover. The receivables and other assets increased by 13.2 % to reach kEUR 2,425. The stock of securities amounted to kEUR 3,615 on 30 June 2009. The cash held by the company rose significantly from kEUR 1,373 to reach kEUR 2,230.

The gross cash flow amounted to kEUR 1,132 TEUR (previous year: kEUR 405) as per 30 June 2009. The cash flow from the operating activity increased significantly to kEUR 1,593 (previous year: kEUR 525). There was no significant cash flow from investments and financing activity to be registered. The cash changed significantly during the first half of 2009 by kEUR +857 to reach kEUR 2,230.

### Research and development

In the first half of the business year 2009, no larger research and development projects were initiated. The focus was on the market launch of the products developed over the past years. This applied to more or less all product divisions.

### Personnel

The Geratherm Group employed a total of 102 staff members on 30 June 2009 (previous year: 83 staff members). A total of 91.2 % of the personnel was employed in Germany. The growth in workforce resulted from the expansion of production in the area of gallium thermometers.

### Outlook

As regards the further course of the year, we expect a continuation of the business development so far. Given the same framework conditions, the turnover and earnings quality should increase even further. The earnings quality will be influenced positively by a higher turnover as well as by lower raw material prices in the 3<sup>rd</sup> and 4<sup>th</sup> quarter of 2009. What is not considered yet is an additional demand impulse triggered by a possible further spread of swine flu.

At the Annual General Meeting in Frankfurt am Main on 8 June 2009 all the points on the agenda were discussed and approved by our shareholders. The shareholders in attendance represented 65.86% of the share capital.

## Statement of comprehensive income for the period 1 January to 30 June 2009

	April- June 2009 EUR	April- June 2008 EUR	Change	Jan.- June 2009 EUR	Jan.- June 2008 EUR	Change
Turnover	3,232,570	2,428,080	33.1%	6,345,169	4,735,984	34.0%
Change in inventories of finished products and work in progress	23,456	-105,876	>100.0%	15,860	-195,383	>100.0%
Other internally produced and capitalized assets	16,280	59,250	-72.5%	32,062	132,103	-75.7%
Other operating revenue	173,669	75,974	128.6%	309,729	115,888	167.3%
	3,445,975	2,457,428	40.2%	6,702,820	4,788,592	40.0%
Material input						
Expenditure for raw material and supplies and for purchase goods	-1,297,105	-970,394	33.7%	-2,575,292	-1,845,952	39.5%
Expenditure for purchased services	-66,498	-27,695	140.1%	-121,058	-99,756	21.4%
	-1,363,603	-998,089	36.6%	-2,696,350	-1,945,708	38.6%
<b>Gross profit</b>	<b>2,082,372</b>	<b>1,459,339</b>	<b>42.7%</b>	<b>4,006,470</b>	<b>2,842,884</b>	<b>40.9%</b>
Personnel costs						
Wages and salaries	-620,127	-507,136	22.3%	-1,190,685	-1,028,159	15.8%
Social welfare contributions and expenditure for old-age provision	-140,554	-116,461	20.7%	-266,476	-227,874	16.9%
	-760,681	-623,597	22.0%	-1,457,161	-1,256,033	16.0%
Amortization of intangible assets and depreciation of property, plant and equipment	-76,707	-81,331	-5.7%	-151,438	-157,845	-4.1%
Other operating expenses	-781,029	-603,595	29.4%	-1,434,032	-1,162,601	23.3%
<b>Operating result</b>	<b>463,955</b>	<b>150,816</b>	<b>207.6%</b>	<b>963,839</b>	<b>266,405</b>	<b>261.8%</b>
Income from dividends	56,760	48,026	18.2%	56,760	48,026	18.2%
Income from the sale of securities	378,098	0	-	403,356	0	-
Losses from the sale of securities	0	-801	-100.0%	-471,193	-801	>100.0%
Expenditure from securities	-14,123	-10,702	32.0%	-15,477	-13,662	13.3%
Other interest and similar income	3,775	8,679	-56.5%	10,366	24,798	-58.2%
Interest and similar expenses	-9,223	-3,953	133.3%	-17,859	-10,212	74.9%
<b>Financial result</b>	<b>415,287</b>	<b>41,249</b>	<b>906.8%</b>	<b>-34,047</b>	<b>48,149</b>	<b>-170.7%</b>
<b>Profit (loss) on ordinary activities</b>	<b>879,242</b>	<b>192,065</b>	<b>357.8%</b>	<b>929,792</b>	<b>314,554</b>	<b>195.6%</b>
Taxes on income and profits	-57,020	-27,197	109.7%	-87,582	-49,956	75.3%
<b>Group net profit for the period</b>	<b>822,222</b>	<b>164,868</b>	<b>398.7%</b>	<b>842,210</b>	<b>264,598</b>	<b>218.3%</b>
Minority interests result	-7,345	-7,381	-0.5%	-69,519	-31,898	117.9%
<b>Net earnings of the parent company's shareholders in the period concerned</b>	<b>829,567</b>	<b>172,249</b>	<b>381.6%</b>	<b>911,729</b>	<b>296,496</b>	<b>207.5%</b>
<b>EBITDA</b>	<b>540,662</b>	<b>232,147</b>	<b>132.9%</b>	<b>1,115,277</b>	<b>424,250</b>	<b>162.9%</b>
<b>Result per share undiluted</b>	<b>0.18</b>	<b>0.04</b>	<b>350.0%</b>	<b>0.20</b>	<b>0.07</b>	<b>185.7%</b>

## Statement of financial position as at the end of the period by 30 June 2009

Assets	30. June 2009 EUR	31. December 2008 EUR	Change
<b>A. Long-term assets</b>			
<b>I. Intangible assets</b>			
1. Development costs	958,619	923,601	3.8%
2. Software	49,907	45,115	10.6%
3. Goodwill	75,750	75,750	0.0%
	1,084,276	1,044,466	3.8%
<b>II. Fixed assets</b>			
1. Land property and buildings	1,237,148	1,274,431	-2.9%
2. Technical equipment and machinery	369,149	299,297	23.3%
3. Other plant, operating and commercial equipment	140,780	151,131	-6.8%
4. Plant under construction	272,517	38,773	>100.0%
	2,019,594	1,763,632	14.5%
<b>III. Deferred taxes</b>	2,580,688	2,664,208	-3.1%
	<b>5,684,558</b>	<b>5,472,306</b>	<b>3.9%</b>
<b>B. Short-term assets</b>			
<b>I. Supplies</b>			
1. Raw materials and supplies	773,183	839,951	-7.9%
2. Unfinished products	496,852	475,214	4.6%
3. Finished products and goods	1,840,067	1,765,298	-4.2%
	3,110,102	3,080,463	1.0%
<b>II. Receivables and other assets</b>			
1. Receivables from deliveries and services	2,153,592	1,978,498	8.8%
2. Tax receivables	139,507	64,009	>100.0%
3. Other assets	132,165	100,387	31.7%
	2,425,264	2,142,894	13.2%
<b>III. Securities</b>	3,614,602	2,991,346	20.8%
<b>IV. Cash and cash equivalents</b>	2,230,577	1,373,438	62.4%
	<b>11,380,545</b>	<b>9,588,141</b>	<b>18.7%</b>
	<b>17,065,103</b>	<b>15,060,447</b>	<b>13.3%</b>
<b>Equity and Liabilities</b>			
<b>A. Equity capital</b>			
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	2,239,194	524,692	>100.0%
Attribute to shareholders of the parent company	14,309,194	12,594,692	13.6%
Minority interests	-11,911	52,386	
	<b>14,297,283</b>	<b>12,647,078</b>	<b>13.0%</b>
<b>B. Long-term debts</b>			
1. Accrued investment cost	494,307	516,348	-4.3%
2. Other long-term liabilities	425,329	405,329	4.9%
	<b>919,636</b>	<b>921,677</b>	<b>-0.2%</b>
<b>C. Short-term debts</b>			
1. Liabilities to banks	298,098	669,843	-55.5%
2. Down payments received	77,066	0	
3. Liabilities from deliveries and services	914,033	363,247	>100.0%
4. Tax liabilities	35,492	36,028	-1.5%
5. Other liabilities	523,495	422,574	23.9%
	<b>1,848,184</b>	<b>1,491,692</b>	<b>23.9%</b>
	<b>17,065,103</b>	<b>15,060,447</b>	<b>13.3%</b>



## Statement of cash flow for the period 01 January to 30 June 2009

	Jan.- June 2009 kEUR	Jan.- June 2008 kEUR
Group net profit for the period	842	264
Other non-cash expenditure/income	52	14
Dividend income	-57	-48
Interest earned	-10	-25
Interest paid	18	10
Decrease in deferred tax assets	84	50
Provision for taxes on income and returns	4	0
Depreciation on fixed assets	151	158
Income from the sale of securities	-403	0
Losses from valuation of securities	471	1
Amortisation of grants and subsidies	-22	-22
Losses on disposal of fixed assets	2	3
<b>Gross cash flow</b>	<b>1,132</b>	<b>405</b>
Increase in supplies	-30	-366
Increase/decrease in receivables from deliveries and services and other assets	-282	312
Increase in short-term payables and other liabilities	728	111
Income from dividends	57	48
Interest income	10	25
Interest outflow	-18	-10
Payment of taxes on income and returns	-4	0
<b>Cash flow from operating activities</b>	<b>1,593</b>	<b>525</b>
Expenses for investments in fixed assets	-449	-400
Payment received owing to financial investments	719	21
Expenses owing to financial investments	-634	-970
<b>Cash flow from investment activities</b>	<b>-364</b>	<b>-1,349</b>
Flow of funds from minority interest	0	0
Dividend payoffs	-20	-1,357
Decrease/increase in loan liabilities	-372	196
Assumption of short-term liabilities	20	65
<b>Cash flow from financing activities</b>	<b>-372</b>	<b>-1,096</b>
<b>Change in amount of available cash and cash equivalents</b>	<b>857</b>	<b>-1,920</b>
<b>Cash and cash equivalents at the start of the reporting period</b>	<b>1,373</b>	<b>2,085</b>
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>2,230</b>	<b>165</b>

## Statement of changes in equity for the period by 30. June 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
<b>1. January 2008</b>	<b>4,500,000</b>	<b>7,570,000</b>	<b>-717,064</b>	<b>10,268</b>	<b>4,890,131</b>	<b>16,253,335</b>	<b>124,808</b>	<b>16,378,143</b>
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					-1,350,000	-1,350,000	-6,945	-1,356,945
Total Group income			-1,948,240	7,132	296,496	-1,644,612	-25,046	-1,669,658
<b>30. June 2008</b>	<b>4,500,000</b>	<b>7,570,000</b>	<b>2,665,304</b>	<b>17,400</b>	<b>3,836,627</b>	<b>13,258,723</b>	<b>92,817</b>	<b>13,351,540</b>
<b>1. January 2009</b>	<b>4,500,000</b>	<b>7,570,000</b>	<b>-71,885</b>	<b>-22,937</b>	<b>619,514</b>	<b>12,594,692</b>	<b>52,386</b>	<b>12,647,078</b>
Dividend payouts to minority shareholders							-20,107	-20,107
Total Group income			776,411	26,362	911,729	1,714,502	-44,190	1,670,312
<b>30. June 2009</b>	<b>4,500,000</b>	<b>7,570,000</b>	<b>704,526</b>	<b>3,425</b>	<b>1,531,243</b>	<b>14,309,194</b>	<b>-11,911</b>	<b>14,297,283</b>

## Statement of total income in compliance with IFRS for the period 1 January to 30 June 2009

	01/01.-30/06/2009 EUR	01/01.-30/06/2008 EUR
<b>Net earnings of the parent company's shareholders in the period concerned</b>	<b>911,729</b>	<b>296,496</b>
Minority interests result	-69,519	-31,898
<b>Group net profit for the period</b>	<b>842,210</b>	<b>264,598</b>
Profit and losses from the revaluation of securities	776,411	-1,948,240
Difference resulting from currency conversion	51,691	13,984
<b>Income and expenses directly recorded in equity capital</b>	<b>828,102</b>	<b>-1,934,256</b>
<b>of which allotted to minorities</b>	<b>1,670,312</b>	<b>-1,669,658</b>
of which allotted to shareholders of the parent company	-44,190	-25,016
based on product groups	1,714,502	-1,644,612

## Segment Report for the period from 1 January 2009 to 30 June 2009

By Product Areas	Health Care Diagnostic	Medical Warming Systems	Cardio /Stroke	Respiratory	Consolidation	Reconciliation	Total
	Jan.-June 2009 TEUR	Jan.-June 2009 TEUR	Jan.-June 2009 TEUR	Jan.-June 2009 TEUR	Jan.-June 2009 TEUR	Jan.-June 2009 TEUR	Jan.-June 2009 TEUR
<b>Turnover</b>	5,977	242	74	351	-307	8	6,345
<b>Operating results</b>	1,202	-9	-120	-44	-12	-53	964
of which:							
Amortisation of intangible assets and depreciation of property, plant and equipment	50	8	29	4	0	60	151
<b>Segment assets</b>	6,837	833	363	621	0	5,831	14,485
<b>Segment debts</b>	2,013	65	540	150	0	0	2,768

By Product Areas	Health Care Diagnostic	Medical Warming Systems	Cardio /Stroke	Respiratory	Consolidation	Reconciliation	Total
	Jan.-June 2008 TEUR	Jan.-June 2008 TEUR	Jan.-June 2008 TEUR	Jan.-June 2008 TEUR	Jan.-June 2008 TEUR	Jan.-June 2008 TEUR	Jan.-June 2008 TEUR
<b>Turnover</b>	4,722	190	53	121	-350	0	4,736
<b>Operating results</b>	642	-59	-156	-151	115	-125	266
of which:							
Amortisation of intangible assets and depreciation of property, plant and equipment	45	7	11	4	0	91	158
<b>Segment assets</b>	6,427	666	435	291	0	4,959	12,778
<b>Segment debts</b>	1,627	44	428	39	0	0	2,138

By Region	Germany Jan.- June 2009 TEUR	Europe Jan.- June 2009 TEUR	USA Jan.- June 2009 TEUR	South America Jan.- June 2009 TEUR	Other Jan.- June 2009 TEUR	Total Jan.- June 2009 TEUR
<b>Turnover</b>	<b>1,476</b>	<b>3,106</b>	<b>568</b>	<b>1,152</b>	<b>566</b>	<b>6,868</b>
Elimination of intragroup turnover	-217	0	0	-306	0	-523
<b>Turnover to third parties</b>	<b>1,259</b>	<b>3,106</b>	<b>568</b>	<b>846</b>	<b>566</b>	<b>6,345</b>
<b>Gross profit</b>	<b>796</b>	<b>1,916</b>	<b>350</b>	<b>595</b>	<b>349</b>	<b>4,006</b>
<b>Operating results</b>	<b>212</b>	<b>511</b>	<b>94</b>	<b>54</b>	<b>93</b>	<b>964</b>
Of which:						
Amortisation of intangible assets and depreciation of property, plant and equipment	33	79	14	11	14	151
Amortisation of subsidies and allowances	5	13	2	0	2	22
<b>Acquisition cost for fixed assets in the period</b>	<b>440</b>	<b>0</b>	<b>0</b>	<b>9</b>	<b>0</b>	<b>449</b>
<b>Book value of segment assets</b>	<b>13,575</b>	<b>0</b>	<b>0</b>	<b>910</b>	<b>0</b>	<b>14,485</b>

By Region	Germany Jan.- June 2008 TEUR	Europe Jan.- June 2008 TEUR	USA Jan.- June 2008 TEUR	South America Jan.- June 2008 TEUR	Other Jan.- June 2008 TEUR	Total Jan.- June 2008 TEUR
<b>Turnover</b>	<b>1,212</b>	<b>2,117</b>	<b>491</b>	<b>1,108</b>	<b>390</b>	<b>5,318</b>
Elimination of intragroup turnover	-216	0	0	-366	0	-582
<b>Turnover to third parties</b>	<b>996</b>	<b>2,117</b>	<b>491</b>	<b>742</b>	<b>390</b>	<b>4,736</b>
<b>Gross profit</b>	<b>585</b>	<b>1,226</b>	<b>284</b>	<b>522</b>	<b>226</b>	<b>2,843</b>
<b>Operating results</b>	<b>22</b>	<b>46</b>	<b>10</b>	<b>180</b>	<b>8</b>	<b>266</b>
Of which:						
Amortisation of intangible assets and depreciation of property, plant and equipment	38	80	18	7	15	158
Amortisation of subsidies and allowances	5	12	3	0	2	22
<b>Acquisition cost for fixed assets in the period</b>	<b>396</b>	<b>0</b>	<b>0</b>	<b>4</b>	<b>0</b>	<b>400</b>
<b>Book value of segment assets</b>	<b>11,988</b>	<b>0</b>	<b>0</b>	<b>790</b>	<b>0</b>	<b>12,778</b>

## Explanations concerning the interim group statement of the period 1 January 2009 to 30 June 2009

### Principles of accounting and valuation

Geratherm Medical AG's interim group statement for the first half 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 IFRS 8 standards and the revised IAS 1, to be applied mandatorily as of 1 January 2009, led to amendments in the interim group statement. Segment reporting was revised according to IFRS 8, also compare segment reporting of the Interim Report for the first quarter 2009. Last year's segment reporting figures were adjusted accordingly.

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 figures 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 appendix to the group financial statement 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, naturally, 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 by the second quarter of 2009.

### Long-term assets

As per 30 June 2009, development cost for internally created intangible assets amounting to kEUR 85 (prev. year: kEUR 214) was capitalised. A further kEUR 364 (prev. year: kEUR 186) 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 30 June 2009, the stock of securities changed by kEUR 634 (prev. year: kEUR 970) as a result of purchases and by kEUR 719 (prev. year: kEUR 21) as a result of sales.

The profit from sales in the amount of kEUR 403, recorded in the profit and loss account, includes appreciation in value balancing the depreciation in value in the amount of kEUR 375 recorded in earlier periods with an effect on the net income. The necessary appreciation in value in the amount of kEUR 705 (prev. year kEUR -2,665) necessary by 30 June 2009, was recorded in the market valuation reserves as not affecting net income.

The change in the amount of available cash and cash equivalents amounts to a total of kEUR 857 (prev. year kEUR -1,920) and is to be ascribed to the cash flow from operating activities.

## Equity capital

Geratherm Medical AG's subscribed capital as per 30 June 2009 amounted to a total of 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 30 June 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.

This Interim Group Statement for 30 June 2009 has not been subject to an audit performed by an auditing company.

## Responsibility Statement pursuant to Section 37y WpHG (German Securities Trading Act) in connection with Section 37w Para. 2 No. 3 WpHG

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the group, and the interim management report of the group includes a fair review of the development and performance of the business and the position of the group, together with a description of the principal opportunities and risks associated with the expected development of the group for the remaining months of the financial year.

Geschwenda, August 2009



Dr. Gert Frank  
Chairman of the Board



Thomas Robst  
Board Member for Marketing/Sales

## **Financial Calendar 2009/2010**

**Quarterly Reports 3. Quarter**

**11/19/2009**

**Publication Annual Report 2009**

**04/15/2010**

**Quarterly Reports 1. Quarter**

**05/20/2010**

**Geratherm Conference of Analysts/  
Annual General Meeting**

**06/07/2010**

**Quarterly Reports 2. Quarter**

**08/19/2010**

**Quarterly Reports 3. Quarter**

**11/18/2010**



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