

Geratherm®



Half-yearly report 2010

Innovative Medical Solutions

GERATHERM

AT A GLANCE

Group financial ratio	Jan.-June 2010	Jan.-June 2009	Change
Turnover	7,997 kEUR	6,345 kEUR	26.0%
Including export share	6,946 kEUR	5,086 kEUR	36.6%
Export rate	87 %	80 %	8.7%
Gross result (EBITDA)	1,556 kEUR	1,115 kEUR	39.6%
EBITDA-Margin	19.5 %	17.6 %	10.8%
Depreciation	-300 kEUR	-151 kEUR	98.2%
Operating result (EBIT)	1,256 kEUR	964 kEUR	30.4%
EBIT-Margin	15.7 %	15.2 %	3.3%
Financial result	559 kEUR	-34 kEUR	-
Result of ordinary activities	1,815 kEUR	930 kEUR	95.2%
Attributable to the shareholders of Geratherm	1,535 kEUR	912 kEUR	68.4%
Long-term assets	6,046 kEUR	5,685 kEUR	6.4%
Short-term assets	19,605 kEUR	11,380 kEUR	72.3%
Balance sheet total	25,651 kEUR	17,065 kEUR	50.3%
Equity capital	20,179 kEUR	14,297 kEUR	41.1%
Equity return	15.2 %	12.8 %	18.8%
Equity ratio	78.7 %	83.8 %	-6.1%
Cash and securities	11,870 kEUR	5,845 kEUR	>100.0%
Result per share pursuant to IFRS (EPS)*	0.31 EUR	0.20 EUR	55.0%
Result per share pursuant to DVFA*	0.31 EUR	0.20 EUR	55.0%
Number of employees at end of the period	128	102	25.5%
No-par shares	4,949,999	4,500,000	10.0%
* relating to non-par shares in circulation	4,949,999	4,500,000	10.0%

Business development from 1st January to 30th June 2010

- **Turnover 8 million EUR +26.0 %**
- **EBITDA 1,556 kEUR +39.6 %**
- **EBIT 1,256 kEUR + 30.4 %**
- **Earnings after tax (EAT) 1,535 kEUR + 68.4 %**
- **Earnings per share 31 cents (previous year: 20 cents)**

[Dear shareholders and interested parties of Geratherm Medical,](#)

The dynamic revenue and earnings development of Geratherm continued in the 2nd quarter of 2010. Virtually all product areas continued to record above average growth. Turnover in the 2nd quarter of 2010 was 24.9 % up on that of the previous year at 4 million EUR. Company earnings (EBIT) increased still more markedly in the last three months by 52.4 % to 707 kEUR.

There was strong demand for Geratherm products in virtually all markets. Our biggest growth was in South America with a plus of 51.5 %. We also recorded strong development on the USA market with a plus of 46.8 %. Sales on the German market showed below average development with a minus of 16.5 %.

The increase in business volume is further facilitated by the implementation of the EU mercury ban. But the increasing importance of new environmental legislation from other countries is also currently increasing demand.

The quality of earnings of Geratherm products further improved in the 2nd quarter of 2010. The EBITDA margin increased to 21.1 % (previous year: 16.7 %). Earnings before interest and taxes (EBIT) reached 707 kEUR (previous year: 464 kEUR). The EBIT margin was 17.5% (previous year: 14.4 %). The financial result in the 2nd quarter of 2010 was 99 kEUR (previous year: 415 kEUR). The period result after tax for Geratherm shareholders for the 2nd quarter amounts to 625 kEUR or 13 cents per share (previous year: 18 cents per share). A net period result of 1,535 kEUR (+68.4%) was achieved overall for the 1st half of 2010.

Facts and figures

(in kEUR)

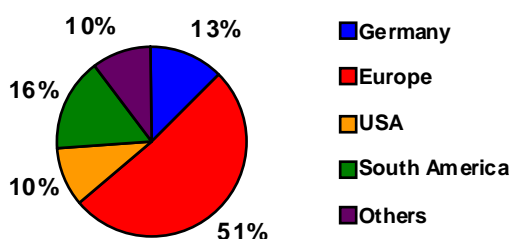
	II/10	I/10	IV/09	III/09	II/09
Turnover	4,039	3,958	4,237	3,803	3,232
EBITDA	21.1%	17.8%	18.3%	18.9%	16.7%
EBIT	707	549	654	619	464
EPS (EUR)	0.13	0.18	0.27	0.13	0.18
Cash flow	868	502	785	715	548

Trading volume

Trading volume in the 1st half of 2010 was in line with our plan estimates with a plus of 26.0 %. The limitation on sales growth is currently down to the still insufficient production capacity. We are however in the process of successively adjusting these capacities to the high demand. Without these production bottlenecks, the growth to date of Geratherm Medical would have been markedly higher.

Apart from the domestic market, all the sales markets of Geratherm exhibit a positive trend. We will devote more attention to the development of sales on the domestic market in the coming months. 87 % of Geratherm products are exported. The distribution of turnover by individual regions will also not change significantly in the course of the financial year.

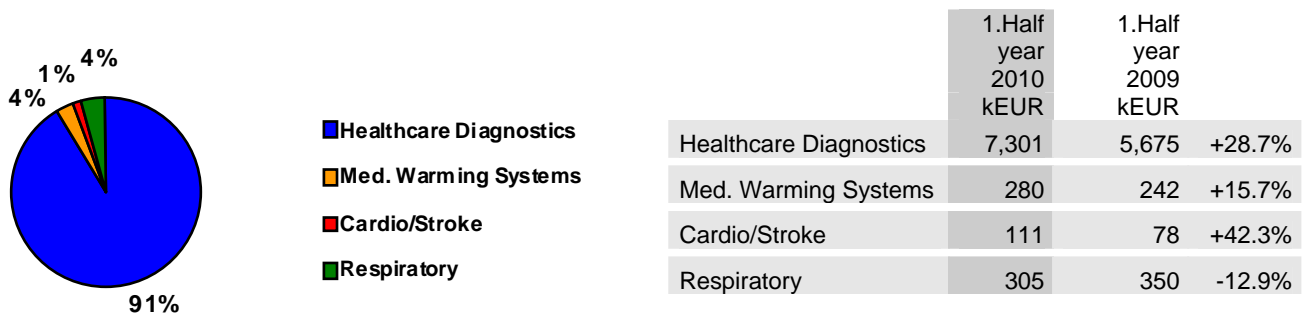
Turnover according to regions 01/01/- 30/06/2010



	1.Half Year 2010 kEUR	1.Half Year 2009 kEUR	
Germany	1,051	1,259	-16.5%
Europe	4,003	3,106	+28.9%
USA	834	568	+46.8%
South America	1,281	846	+51.5%
Others	828	566	+46.3%

The mainstay of sales of Geratherm Medical in the first six months, with a 91.3 % share, are products in the Healthcare Diagnostics segment, which are marketed internationally to pharmacies and hospitals. Important products in this segment are gallium-filled thermometers (48.8 %) and blood pressure monitors (18.6 %).

Turnover by segment 1st January – 30th June 2010



Sales in the Healthcare Diagnostics segment rose by 28.7 % in the first half of 2010. There were also positive contributions to growth from the other segments, medical warming systems (+15.7 %) and cardio/stroke (+42.3 %). The Respiratory segment recorded a fall in sales in the first half of 2010 to 305 kEUR, but this is due to a major order in this period in the previous year. We are expecting a turnover of 200 kEUR for this segment for the 3rd quarter of 2010.

Earnings situation

The earnings situation of Geratherm Medical from operational business further improved in comparison with the same period in the previous year. Gross profit developed in parallel to turnover gain in the 1st half of 2010 with a plus of 26.1 %. Material and personnel costs likewise developed in parallel to the higher volume of sales with a plus of 23.1 % and 26.5 % respectively. Gross earnings (EBITDA) rose in the course of the first half of the year to 1,556 kEUR (+39.6 %). The operating result (EBIT) increased to 1,256 kEUR (+ 30.4 %). As a result of the higher volume of investment in the expansion of production facilities, capital consumption increased in the 1st half of the year to 300 kEUR (+98.2 %).

A positive financial result of 559 kEUR was also achieved for the period under review, January – June 2010. Together with the operational results, this gave a profit from ordinary business activities of 1,815 kEUR for the 1st half of 2010. This is nearly double that of the comparable period of the previous year. Minus taxes on income and profits, a group period result is shown for the 1st half of 2010 of 1,462 kEUR (+73.6 %). The period result of the minority equity amounts to -73 kEUR. This means that overall a net period result for Geratherm shareholders of 1,535 kEUR (+ 68.4 %) was achieved. Earnings per share for the 1st half of 2010 amount to 31 cents (previous year: 20 cents).

Assets and financial position

Geratherm Medical has sound liquidity, which was further strengthened by the capital increase at the end of the 1st quarter of 2010. The total assets of 25.7 million EUR are principally represented by equity capital of 20.2 million EUR. The equity ratio as at the reporting date is 78.7 %. The return on equity for the allocated capital amounts to 15.2 % for the 1st half of 2010. At the end of the 1st half of 2010, the company has liquid assets and securities amounting to 11.9 million EUR (previous year: 5.8 million EUR). The company is thereby financially well equipped for the current growth phase and for possible corporate acquisitions.

The rise in the balance sheet total from 22.7 million EUR to 25.7 million EUR is principally as a result of the successfully placed capital increase. Tangible assets increased through investment from 2.3 million EUR to 2.7 million EUR. There was a significant increase in finished products and goods, which show a significant seasonal increase to 2.6 million EUR. Trade receivables increased by 30.4 % to 3.1 million EUR. The securities portfolio on 30th June 2010 amounted to 6.0 million EUR, the instruments of payment amounted to 5.9 million EUR.

Gross cash flow as at 30th June 2010 totalled 1,370 kEUR (previous year: 1,132 kEUR). Cash flow from operating activities became negative through the increase in inventories and amounted to -473 kEUR. Cash flow from investment activity totalled -1,086 kEUR. 588 kEUR of this flowed as investment into the fixed capital. Instruments of payment at the end of the period under review amounted to 5,859 kEUR.

Research and development

In the core business Healthcare Diagnostics, numerous new product designs, which will be launched onto the market in the course of the 2nd half of 2010, continue to be pushed. The proportion of product designs and R&D activities in the apoplex and Respiratory segments is disproportionately high. The validation study carried out in the apoplex segment on the diagnosis of atrial fibrillation is still undergoing medical evaluation by our partners. The validation study carried out at apoplexy on determining the risk for atrial fibrillation is still undergoing medical evaluation by the study partners.

The number of SRA users (doctors and hospitals) who utilise stroke risk analysis (SRA), has increased markedly from last year. As at the end of June, the figure of 596 connected users is roughly double that of the comparable period of the previous year. In the month of June, apoplex medical technologies' stroke risk analysis was carried out by doctors at their practices alone (without hospitals) on approximately 1,000 patients (+70.3% on the previous year).

Personnel

On 30th June 2010, the Geratherm Group employed a total of 128 employees (previous year: 102 employees). 93.0 % of the personnel are employed in Germany. The growth in personnel resulted principally from the production expansion in the gallium thermometer segment at our location in Thuringia.

Outlook

We expect a continuation of the current business development in the further course of the year. If general conditions remain unchanged, both sales volume and quality of earnings should rise once more.

With its sound financial position and healthy capital structure, Geratherm has the right prerequisites to finance the intended growth and cushion possible risks.

The ASM on 7th June 2010 took place for the first time in Erfurt. In this way, we had the opportunity to meet numerous shareholders who had up to now not been able to come to Frankfurt.

All the items on the agenda were discussed at this year's ASM and approved by our shareholders. Shareholder presence was 66.01 % of the represented share capital.

Geschwenda, August 2010



Dr. Gert Frank
CEO Geratherm Medical AG

Statement of comprehensive income for the period 1 January to 30 June 2010

	April-June 2010 EUR	April-June 2009 EUR	Change	Jan.- June 2010 EUR	Jan.-June 2009 EUR	Change
Sales revenue	4,038,529	3,232,570	24.9%	7,996,862	6,345,169	26.0%
Change in inventories of semi-finished and finish products	149,067	23,456	>100.0%	95,252	15,860	>100.0%
Other capitalized own work	0	16,280	-100.0%	0	32,062	-100.0%
Other operating income	181,930	173,669	4.8%	277,174	309,729	-10.5%
	4,369,526	3,445,975	26.8%	8,369,288	6,702,820	24.9%
Cost of Materials						
Cost of raw materials, consumables and goods for resale	-1,582,662	-1,297,105	22.0%	-3,164,375	-2,575,292	22.9%
Costs of purchased services	-74,122	-66,498	11.5%	-154,108	-121,058	27.3%
	-1,656,784	-1,363,603	21.5%	-3,318,483	-2,696,350	23.1%
Gross profit or loss	2,712,742	2,082,372	30.3%	5,050,805	4,006,470	26.1%
Personnel expenses						
Wages and salaries	-781,036	-620,127	25.9%	-1,532,611	-1,190,685	28.7%
Social security, pension and other benefits	-160,235	-140,554	14.0%	-310,953	-266,476	16.7%
	-941,271	-760,681	23.7%	-1,843,564	-1,457,161	26.5%
Amortization of intangible assets and depreciation of tangible assets	-145,729	-76,707	90.0%	-300,085	-151,438	98.2%
Other operating expenses	-918,460	-781,029	17.6%	-1,650,732	-1,434,032	15.1%
Operating result	707,282	463,955	52.4%	1,256,424	963,839	30.4%
Dividend income	75,709	56,760	33.4%	78,362	56,760	38.1%
Income from securities trading	114,810	378,098	-69.6%	733,558	403,356	81.9%
Losses from securities	-57,589	0	-	-57,589	-471,193	-87.8%
Securities-related expenses	-14,596	-14,123	3.3%	-163,301	-15,477	>100.0%
Other interest and similar income	8,778	3,775	>100.0%	14,531	10,366	40.2%
Interests and similar expenses	-27,953	-9,223	>100.0%	-46,743	-17,859	>100.0%
Financial result	99,159	415,287	-76.1%	558,818	-34,047	-
Result of ordinary activities	806,441	879,242	-8.3%	1,815,242	929,792	95.2%
Income taxes	-205,660	-57,020	>100.0%	-353,034	-87,582	>100.0%
Group net profit for the period	600,781	822,222	-26.9%	1,462,208	842,210	73.6%
Minority interests result	-23,856	-7,345	>100.0%	-72,988	-69,519	5.0%
Earnings for the period of Geratherm shareholders	624,637	829,567	-24.7%	1,535,196	911,729	68.4%
EBITDA	853,011	540,662	57.8%	1,556,509	1,115,277	39.6%
Result per share undiluted	0.13	0.18	-27.8%	0.31	0.20	55.0%

Statement of financial position as at the end of the period by 30 June 2010

Assets	30 June 2010 EUR	31 December 2009 EUR	Change
A. Long-term assets			
I. Intangible assets			
1. Development costs	783,439	916,792	-14.5%
2. Software	44,360	44,604	-0.5%
3. Goodwill	75,750	75,750	0.0%
	903,549	1,037,146	-12.9%
II. Tangible assets			
1. Land, land rights and buildings	1,162,584	1,199,867	-3.1%
2. Technical equipment and machinery	984,036	734,082	34.0%
3. Other equipment, factory and office equipment	167,435	150,462	11.3%
4. Construction in process	426,910	234,940	81.7%
	2,740,965	2,319,351	18.2%
III. Deferred taxes	2,401,257	2,625,639	-8.5%
	6,045,771	5,982,136	1.1%
B. Short-term assets			
I. Inventories			
1. Raw materials and supplies	1,133,620	990,887	14.4%
2. Unfinished goods	473,022	510,274	-7.3%
3. Finished goods and merchandise	2,607,258	1,321,896	97.2%
	4,213,900	2,823,057	49.3%
II. Receivables and other assets			
1. Trade receivables	3,083,986	2,364,659	30.4%
2. Tax receivables	115,384	103,705	11.3%
3. Other assets	321,657	320,683	0.3%
	3,521,027	2,789,047	26.2%
III. Securities	6,010,853	5,355,347	12.2%
IV. Cash and cash equivalents	5,859,085	5,702,573	2.7%
	19,604,865	16,670,024	17.6%
	25,650,636	22,652,160	13.2%
Equity and Liabilities			
A. Equity capital			
I. Subscribed capital	4,949,999	4,500,000	10.0%
II. Capital reserves	10,577,354	7,570,000	39.7%
III. Other reserves	4,664,877	5,597,396	-16.7%
Attributable to the shareholders of Geratherm	20,192,230	17,667,396	14.3%
Minority interests	-12,829	3,030	>-100.0%
	20,179,401	17,670,426	14.2%
B. Long-term debts			
1. Liabilities to banks	2,000,000	2,000,000	-
2. Accrued investment subsidies	578,247	607,462	-4.8%
3. Other long-term liabilities	505,329	465,329	8.6%
	3,083,576	3,072,791	0.4%
C. Short-term debts			
1. Liabilities to banks	612,265	441,288	38.7%
2. Payments on accounts	137,297	80,088	71.4%
3. Trade payables	863,838	708,352	22.0%
4. Tax liabilities	186,885	147,204	27.0%
5. Other short-term liabilities	587,374	532,011	10.4%
	2,387,659	1,908,943	25.1%
	25,650,636	22,652,160	13.2%

Statement of cash flow for the period 01 January to 30 June 2010

	January -June 2010 kEUR	January -June 2009 kEUR
Group net profit for the period	1,462	842
Other costs affecting income/expenses	62	52
Dividend income	-78	-57
Interest earnings	-15	-10
Interest expenses	47	18
Decrease in deferred taxes	224	84
Income tax expenditure	73	4
Depreciation of fixed assets	300	151
Income from securities trading	-734	-403
Losses from valuation of securities	58	471
Amortisation of public grants and subsidies	-29	-22
Loss from disposal of fixed assets	0	2
Gross cash flow	1,370	1,132
Increase in inventories	-1,391	-30
Increase in trade receivables and other assets	-732	-282
Increase in current liabilities and other liabilities	244	728
Monies received from dividends	78	57
Monies received from interest	15	10
Cash outflow from interest	-47	-18
Cash outflow for income taxes	-10	-4
Cash flow from operations	-473	1,593
Cash outflow for investments in fixed assets	-588	-449
Monies received based on financial assets	1,278	719
Cash outflow based on financial assets	-1,776	-634
Cash flow from Investments	-1,086	-364
Incoming payment from capital increase	3,600	0
Outgoing payment for equity capital procurement costs	-198	0
Tax effect from equity capital procurement costs	55	0
Funds inflow from minorities	27	0
Dividend payout to minority interests	0	-20
Dividend payments	-1,980	0
Increase/decrease in loan liabilities	171	-372
Inflow from long-term liabilities	40	20
Cash flow from financing activities	1,715	-372
Change in cash and cash equivalents	156	857
Cash and cash equivalents at the start of the reporting period	5,703	1,373
Cash and cash equivalents at the end of the reporting period	5,859	2,230

Statement of changes in equity for the period by 30 June 2010

	Subscribed capital	Capital reserves	Other reserves			Attributable to the shareholders of Geratherm	Shares of other partners	Equity capital
			Market valuation reserve	Currency conversion reserves	Cumulative profits			
	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
As of January 1, 2009	4,500,000	7,570,000	-71,885	-22,937	619,514	12,594,692	52,386	12,647,078
Dividend payment to shareholders	0	0	0	0	0	0	-20,107	-20,107
Transactions with shareholders	0	0	0	0	0	0	-20,107	-20,107
Group period result	0	0	0	0	911,729	911,729	-69,519	842,210
Unrealised capital gains and losses from evaluation of securities	0	0	776,411	0	0	776,411	0	776,411
Currency translation in group	0	0	0	26,362	0	26,362	25,329	51,691
Total consolidated income	0	0	776,411	26,362	911,729	1,714,502	-44,190	1,670,312
As of June 30, 2009	4,500,000	7,570,000	704,526	3,425	1,531,243	14,309,194	-11,911	14,297,283
As of January 1, 2010	4,500,000	7,570,000	2,274,419	24,918	3,298,059	17,667,396	3,030	17,670,426
Increase of equity capital	449,999	3,149,993	0	0	0	3,599,992	0	3,599,992
Equity capital costs	0	-198,316	0	0	0	-198,316	0	-198,316
Tax effect from equity capital costs	0	55,677	0	0	0	55,677	0	55,677
Increase of share capital of the subsidiary Geratherm Respiratory GmbH	0	0	0	0	0	0	26,750	26,750
Dividend payment to shareholders	0	0	0	0	-1,979,999	-1,979,999	0	-1,979,999
Transactions with shareholders	449,999	3,007,354	0	0	-1,979,999	1,477,354	26,750	1,504,104
Group period result	0	0	0	0	1,535,196	1,535,196	-72,988	1,462,208
Unrealised capital gains and losses from evaluation of securities	0	0	-519,333	0	0	-519,333	0	-519,333
Currency translation in group	0	0	0	31,617	0	31,617	30,379	61,996
Total consolidated income	0	0	-519,333	31,617	1,535,196	1,047,480	-42,609	1,004,871
As of June 30, 2010	4,949,999	10,577,354	1,755,086	56,535	2,853,256	20,192,230	-12,829	20,179,401

Segment Report for the period from 1 January 2010 to 30 June 2010

	01/01-30/06/2010 EUR	01/01-30/06/2009 EUR
Earnings for the period of Geratherm shareholders	1,535,196	911,729
Minority interests result	-72,988	-69,519
Group net profit for the period	1,462,208	842,210
Profit and losses from the revaluation of securities	-519,333	776,411
Difference resulting from currency translation	61,996	51,691
Income and expenses directly included in equity capital	-457,337	828,102
Total consolidated income	1,004,871	1,670,312
of which assignable to minority interests	-42,609	-44,190
of which attributable to the shareholders of Geratherm	1,047,480	1,714,502

Segment Report for the period from 1 January 2010 to 30 June 2010

According to product segments 2010	Healthcare Diagnostics Jan.-June kEUR	Med. Warming Systems Jan.-June kEUR	Cardio/ Stroke Jan.-June kEUR	Respiratory Jan.-June kEUR	Consolidation Jan.-June kEUR	Transition Jan.-June kEUR	Total Jan.-June kEUR
Segment sales	7,678	281	110	305	-390	13	7,997
Operating results	1,510	4	-92	-33	-78	-55	1,256
of which:							
Amortisation of intangible assets and depreciation of tangible assets	104	18	2	5	123	48	300
Segment assets	9,894	628	326	592	0	11,810	23,250
Segment liabilities	4,611	78	639	143	0	0	5,471

According to product segments 2009	Healthcare Diagnostics Jan.-June kEUR	Med. Warming Systems Jan.-June kEUR	Cardio/ Stroke Jan.-June kEUR	Respiratory Jan.-June kEUR	Consolidation Jan.-June kEUR	Transition Jan.-June kEUR	Total Jan.-June kEUR
Segment sales	5,977	242	74	351	-307	8	6,345
Operating results	1,202	-9	-120	-44	-12	-53	964
of which:							
Amortisation of intangible assets and depreciation of tangible assets	50	8	29	4	0	60	151
Segment assets	6,837	833	363	621	0	5,831	14,485
Segment liabilities	2,013	65	540	150	0	0	2,768

According to regions	Germany	Europe	USA	South- America	Sonstige	Gesamt
	Jan.-Juni	Jan.-Juni	Jan.-Juni	Jan.-Juni	Jan.-Juni	Jan.-Juni
2010	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR
Sales revenue	1,267	4,003	834	1,640	828	8,572
Elimination of sales within the group	-216	0	0	-359	0	-575
Sales revenue to third parties	1,051	4,003	834	1,281	828	7,997
Gross profit or loss	665	2,532	527	803	524	5,051
Operating results	162	617	128	222	127	1,256
Of which:						
Amortisation of intangible assets and depreciation of tangible assets	45	171	36	13	35	300
Amortisation of grants and allowances	5	17	4	0	3	29
Acquisition costs fixed Assets in the period	287	0	0	13	0	300
Segment assets	21,543	0	0	1,707	0	23,250

According to regions	Germany	Europe	USA	South- America	Sonstige	Gesamt
	Jan.-Juni	Jan.-Juni	Jan.-Juni	Jan.-Juni	Jan.-Juni	Jan.-Juni
2009	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR
Sales revenue	1,476	3,106	568	1,152	566	6,868
Elimination of sales within the group	-217	0	0	-306	0	-523
Sales revenue to third parties	1,259	3,106	568	846	566	6,345
Gross profit or loss	796	1,916	350	595	349	4,006
Operating results	212	511	94	54	93	964
Of which:						
Amortisation of intangible assets and depreciation of tangible assets	33	79	14	11	14	151
Amortisation of grants and allowances	5	13	2	0	2	22
Acquisition costs fixed Assets in the period	440	0	0	9	0	449
Segment assets	13,575	0	0	910	0	14,485

Notes on the consolidated interim financial statement for the period from 1st January 2010 to 30th June 2010

Accounting and valuation methods

The unaudited interim financial statement of Geratherm Medical AG for the half-year of 2010 was drawn up in accordance with the International Financial Reporting Standards (IFRS) as effective at the closing date and the interpretations of the International Financial Reporting Interpretations Committee (IFRIC), as they are mandated in the European Union.

The accounting, valuation and consolidation methods were, as shown in the annex of the 2009 consolidated financial statement, maintained.

The valuation of assets and liabilities is partially based on estimates or assumptions of and about future developments. Thus, the specification of economic useful lives for non-current assets in particular is based on assumptions and estimates. In addition, the assessment of the intrinsic value of the tax deferrals and accruals attributable to the tax losses carried forward and the capitalised development costs rests on corporate planning, which is naturally associated with uncertainties, so that in particular cases the actual values may deviate from the assumptions and estimates made. Estimates and their underpinning assumptions are regularly checked and evaluated on their possible effects on the accounting.

Consolidated companies

The consolidated companies changed in the 2nd quarter of 2010 as follows:

Companies	Amount of holding 2010	Amount of holding 2009
GME Rechte und Beteiligungen GmbH, Geschwenda / Germany	100.00 %	100.00 %
apoplex medical technologies GmbH, Pirmasens / Germany	60.00 %	60.00 %
Geratherm Respiratory GmbH, Bad Kissingen / Germany	61.27 %	55.00 %
Geratherm Medical do Brasil Ltda., Sao Paulo / Brazil	51.00 %	51.00 %

The share capital of Geratherm Respiratory GmbH was increased in line with a corporate decision of 27th April 2010 by 150,000 EUR to 650,000 EUR. Geratherm Medical AG took over a further company share of this of 123,250 EUR. The amount of holding thereby increased from 55.00 % to 61.27 %. The new share capital of Respiratory has been paid in full. Registration in the commercial register took place on 25th May 2010.

Non-current assets

The increase in non-current assets at 30th June 2010 results mainly from investments in the field of tangible assets. Technical assets and machines as well as assets under construction worth 578 kEUR were capitalised for the increase in production capacities for gallium thermometers.

Current assets

Current assets increased as a result of growth as at 30th June 2010 by 1,391 kEUR with inventories and by 732 kEUR with receivables and other assets.

The securities portfolio changed through purchase and through the exercise of subscription rights by 1,776 kEUR (previous year: 634 kEUR) as well as through the sale of securities by 1,278 kEUR (previous year: 719 kEUR). A profit of 734 kEUR (previous year: 403 kEUR) derives from the sale of securities. The change in the securities portfolio at the period-end exchange rate on 30th June 2010 was recorded largely without affecting profit or loss in the market assessment reserve and amounts to 1,755 kEUR (previous year: 705 kEUR). In accordance with IAS 39.67, the write-off for Adolor Corp. was recognised immediately in profit and loss at 58 kEUR.

As at 30th June 2010, the change in available means of payment is 156 kEUR (previous year: 857 kEUR). Cash flow before any change in the budgetary commitment amounting to 1,370 kEUR (previous year: 1,132 kEUR) is seen alongside changes in cash assets amounting to -1,843 kEUR (previous year: +461 kEUR). Cash flow from investment activity amounting to -1,086 kEUR (previous year: -364 kEUR) derives from the acquisition of tangible fixed assets and intangible assets and the acquisition and sale of financial assets. Cash flow from financing activities principally comprises the capital inflow from the capital increase in the 1st quarter and the capital outflow from the dividend distribution and was 1,715 kEUR on the effective date (previous year: -372 kEUR).

Equity capital

The board of directors of Geratherm Medical AG, with the approval of the supervisory board, implemented an increase of the share capital on 11th March 2010 utilising the authorised capital stock through the issue of 449,999 new no-par-value bearer shares to the exclusion of the shareholders' subscription rights. The new shares were successfully placed at a price of 8.00 EUR per share.

The subscribed capital of Geratherm Medical AG as at 30th June 2010 totals 4,949,999 EUR (previous year: 4,500,000 EUR) and is divided into 4,949,999 (previous year: 4,500,000) no-par-value bearer shares. The subscribed capital is fully paid. The capital increase was entered in the Commercial Register on 15th March 2010. The number of shares in circulation as at 30th June 2010 was 4,949,999.

The authorisation of 12th June 2006 of the board of directors, with the approval of the supervisory board, to increase the share capital to 11th June 2011, against contributions in cash or in kind, on one or on several occasions, by a total of up to 2,250,000 EUR, whereby the subscription rights of shareholders may be excluded, was reduced to 1,800,001 EUR.

The capital reserve as at 30th June 2010 is 10,577 kEUR (previous year: 7,570 kEUR). The increase of 3,150 kEUR from the capital increase is reduced by the equity procurement costs after tax amounting to 143 kEUR.

At the annual general meeting in Erfurt on 7th June 2010, the shareholders of Geratherm Medical AG approved of the distribution of a tax-neutral dividend of 0.40 EUR per share from the shareholders' contribution account for tax purposes (according to § 27 of the KStG (Corporation Tax Act)) on the share capital amounting to 4,949,999 EUR. Dividend payment of 1,979,999.60 EUR occurred on 8th June 2010.

The development in share capital was presented in the statement of changes in Group equity.

The consolidated interim financial statement on hand for 30th June 2010 has not been subject to review by an auditing firm.

Responsibility statement according to § 37y of the WpHG (Securities Trading Act) in combination with § 37w section 2 subpara. 3 of the WpHG

We hereby confirm that, to the best of our knowledge and in keeping with the principles of proper group interim reporting, the interim consolidated financial statements provide a true and fair view of the net assets, financial position and results of operations of the group, that the group management report presents the course of business, including the results of operations and the position of the group, in such a way as to provide a true and fair view and that the key opportunities and risks relating to the anticipated development of the group over the remainder of the financial year are described.

Geschwenda, August 2010



Dr. Gert Frank
Chairman



Thomas Robst
Director of Marketing/Sales

Financial calendar 2010/2011

Quarterly Reports 3. Quarter 2010
11/18/2010

Publication Annual Report 2010
04/20/2011

Quarterly Reports 1. Quarter 2011
05/25/2011

Annual General Meeting
06/06/2011

Quarterly Reports 2. Quarter 2011
08/24/2011

Quarterly Reports 3. Quarter 2011
11/23/2011

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