

# Geratherm®

→ SOLUTIONS  
FOR A HEALTHY WORLD

Half-yearly Report 2012



## GERATHERM

## AT A GLANCE

Group financial ratio	Jan.-June 2012	Jan.-June 2011	Change
<b>Sales revenues</b>	<b>7,860 kEUR</b>	<b>8,530 kEUR</b>	<b>-7.9 %</b>
Export share	6,863 kEUR	7,443 kEUR	-7.8 %
Export ratio	87 %	87 %	0.0 %
Gross result for first quarter of year (EBITDA)	545 kEUR	1,261 kEUR	-56.8 %
<b>EBITDA-Margin</b>	<b>6.9 %</b>	<b>14.8 %</b>	<b>-53.4%</b>
Amortization or depreciation	-372 kEUR	-331 kEUR	12.6 %
<b>Operating results (EBIT)</b>	<b>173 kEUR</b>	<b>930 kEUR</b>	<b>-81.4 %</b>
<b>EBIT margin</b>	<b>2.2 %</b>	<b>10.9 %</b>	<b>-79.8 %</b>
Financial results	369 kEUR	628 kEUR	-41.1 %
Result of ordinary activities	542 kEUR	1,558 kEUR	-65.2 %
<b>Net earnings of the parent company's shareholders in the period concerned</b>	<b>453 kEUR</b>	<b>1,334 kEUR</b>	<b>-66.0 %</b>
Long-term assets	5,822 kEUR	5,688 kEUR	2.4 %
Short-term assets	17,510 kEUR	19,340 kEUR	-9.5 %
Total assets	23,332 kEUR	25,028 kEUR	-6.8 %
Equity capital	17,491 kEUR	19,223 kEUR	-9.0 %
Return on equity	5.2 %	13.9 %	-62.7 %
Equity ratio	75.0 %	76.8 %	-2.3 %
Cash, cash equivalents and securities	7,866 kEUR	11,193 kEUR	-29.7 %
<b>Earnings per share according to IFRS (EPS)*</b>	<b>0.09 EUR</b>	<b>0.27 EUR</b>	<b>-66.7 %</b>
<b>Earnings per share according to DVFA*</b>	<b>0.09 EUR</b>	<b>0.27 EUR</b>	<b>-66.7 %</b>
Number of employees at end of the period	143	135	5.9 %
Total shares issued	4,949,999	4,949,999	
* based on total shares issued	4,949,999	4,949,999	

## Business Performance from January 1 to June 30, 2012

- Sales revenues EUR 7.9 million -7.9 %
- Gross result for first half of year (EBITDA) 545 kEUR -56.8 %
- Results from ordinary activities 542 kEUR -65.2 %
- Earnings after taxes (EAT) 453 kEUR or 9 EUR cent per share
- Lack of sales of gallium-filled thermometers adversely impacts earnings
- Production capacity for gallium-filled thermometers adapted
- Business segments Respiratory, Warming systems and Cardio with double-digit growth

### [Dear Shareholders and Parties Interested in Geratherm Medical,](#)

The sales and earnings of Geratherm Medical failed to develop satisfactorily during the second quarter. While we were able to attain the equivalent level of sales, our earnings experienced a weaker development compared to the same quarter last year, when very healthy growth was registered. The main reason is the lack of sales of gallium-filled thermometers. The increase in inventory is valued only at manufacturing costs. The missing sales margin had an adverse impact on the result of approx. 800 kEUR as at June 30, 2012. All other product segments showed positive development. Compared to the weak sales performance in Europe (-38.3 %), we posted considerable growth in South America (+30.9 %) and Other countries (+61.8 %), primarily from the regions Middle East and Africa.

While the overall performance remained consistent during the second quarter, material expenses increased disproportionately by 21.8 %. This is due to the falling gallium prices and thus the lower valuation of products in the inventory.

The operating result in the second quarter decreased significantly from 333 kEUR to 25 kEUR due to the above reasons. By the end of the quarter, we had decreased the production capacity for gallium thermometers by approx. 30 % at the Geschwenda plant in Thuringia.

A positive financial result of 327 kEUR was posted during the second quarter of the fiscal year. The result from ordinary business activities amounted to 352 kEUR (2011: 960 kEUR) including the financial earnings. For the second quarter, an after-tax result of 321 kEUR (2011: 858 kEUR) or 6 EUR cent per share (2011: 17 EUR cent) was realized less taxes and the result for minority interests.

## Facts and Figures

(in kEUR)

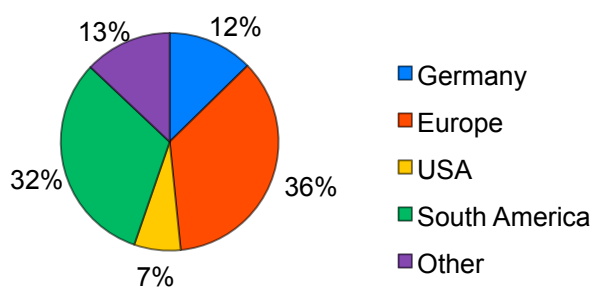
	II/12	I/12	IV/11	III/11	II/11
Sales	3,742	4,118	3,843	4,756	3,749
EBITDA	6.0 %	7.8 %	12.0 %	14.2 %	13.3 %
EBIT	25	148	284	506	333
EPS (EUR)	0.06	0.03	-0.03	0.05	0.17
Cashflow	250	222	439	615	458

## Sales Development

The sales posted during the first six months of 2012 were lower by 7.9 % compared to the reference period of 2011. Exports represented a share of 87 %, which is the same level as last year. The sales of Geratherm products in Germany decreased by -8.3 %.

The reduced demand for gallium-filled thermometers as well as the weak economic growth especially in southern Europe resulted in a considerably negative sales development in Europe. The sales of Geratherm products in the United States were positive, however, and increased by 50.8 %. Sales posted in South America, especially in Brazil, also showed a very positive development with a 30.9 % increase. The area designated as Other countries, which essentially encompasses the Middle East and Africa, experienced a very favorable development with a 61.8 % growth in sales.

## Sales by regions 1/1 to 6/30/2012



	1st. six months 2012	1st. six months 2011	
	kEUR	kEUR	
Germany	997	1,087	-8.3 %
Europe	2,806	4,547	-38.3 %
USA	542	359	+50.8 %
South America	2,496	1,907	+30.9 %
Other	1,019	630	+61.8 %

The mainstay of Geratherm's sales during the first six months of 2012, with an 83.5 % share, includes products in the Healthcare Diagnostic segment, which are marketed internationally in hospitals, clinics and pharmacies. The most important products in this segment are gallium-filled clinical thermometers (31.5 %), blood pressure monitors (28.6 %) and digital clinical thermometers (11.3 %). Due to the weak demand for gallium-filled thermometers in Europe, sales in the Healthcare Diagnostic segment decreased by 13.1 % compared to the same period last year. The Medical warming systems segment showed positive contributions to growth with a 22.3 % increase during the first six months of 2012. The first orders for the US military had a noticeable effect in this regard. On June 25, 2012, Geratherm was selected as the exclusive supplier of warming systems for the United States Army, Special Operations Forces Survival, Support & Equipment System (SSES) for the next five years. Geratherm is the only supplier of tactical medical equipment outside of the US that was taken into account in the Special Operations Forces (SOF) budget.

Even the Cardio segment performed favorably at a low level with an 18.7 % sales growth. The Respiratory segment showed a clear increase in sales of 41.1 %.

#### Sales by segments 1/1 to 6/30/2012



#### Earnings Situation

Geratherm Medical's earnings situation from business operations experienced a considerably below-average development during the past six months. As already mentioned, the main reason is the weak demand for gallium products and the resulting temporary increase in inventory, which in turn has led to significantly low earnings. The lack of earnings from the sales of gallium-filled thermometers resulted in a lower gross profit (-17.5 %) compared to the same period last year. The gross margin decreased from 65.4 % to 58.5 %. The gross profit (EBITDA) dropped to 545 kEUR (-56.8 %) during the course of the first six months.

Amortization and depreciation increased by 12.6 % to 372 kEUR due to the higher investments and write-offs for development costs.

The operating result (EBIT) decreased to 173 kEUR for the first six months of the current fiscal year (2011: 930 kEUR). The decrease in the quality of earnings can be attributed to the weak sales and the increase of gallium-filled thermometers in stock, which have a lower valuation compared to last year due to the drop in gallium prices.

Geratherm managed to post a favorable net financial result of 369 kEUR during the first six months of 2012. All in all, the result from ordinary business activities amounted to 542 kEUR (-65.2 %) during the first six months of the current fiscal year. Income taxes weigh on the result with 98 kEUR.

The consolidated net profit amounted to 444 kEUR (2011: 1,202 kEUR). Geratherm Medical posted a net result of 453 kEUR less the net result for minority interests in the amount of -9 kEUR (2011: -132 kEUR) during the first six months of 2012. The result per share is 9 EUR cent (2011: 27 EUR cents).

### **Net Assets and Financial Situation**

Geratherm Medical continues to enjoy a favorable asset situation. At the end of the first six months of 2012, the balance sheet total was a total EUR 23.3 million (2011: EUR 24.6 million) and is essentially formed by equity capital. The company's equity capital amounted to EUR 17.5 million (2011: EUR 18.7 million) as of June 30, 2012. The equity-to-assets ratio represents 75 % of the balance sheet total. The return on equity was 5.2 % (2011: 13.9 %) for the first six months of the current fiscal year. As of June 30, 2012, the company had cash, cash equivalents and securities in the amount of EUR 7.9 million (2011: EUR 11.2 million) Thus, the company has a solid financial position, even in light of the current temporary weak earnings.

With regard to long-term assets, development costs were written off in the amount of 121 kEUR. The assets held in in property, plant and equipment increased by 7.0 % to EUR 4.0 million.

Inventories increased from EUR 6.0 million to EUR 6.2 million compared to the same period last year. Receivables and other assets remained with EUR 3.4 million on the same level as the same period last year. As of June 30, 2012, the company held securities worth EUR 4.9 million (2011: EUR 5.3 million). The cash and cash equivalents amounted to EUR 3.0 million (2011: EUR 4.2 million).

The gross cash flow for the first six months was 472 kEUR (2011: 1,175 kEUR). The cash flow from operations decreased considerably from 1,404 kEUR to 135 kEUR. The cash flow from investment activities was favorable with 103 kEUR (2011: -871 kEUR).

### Research and Development

The research and development activities of Geratherm Medical mainly focus on the relatively new business segments Warming Systems, Respiratory and Cardio/Stroke. In the Healthcare Diagnostic segment, the regulatory hurdles are becoming more and more complex such that clinical trials have also become a necessity for new products.

We are pleased to announce that after our many years of development the results of the clinical study conducted at the Universität Heidelberg was published in early August in the "Stroke Journal", the official voice of the American Heart Association.

### Staff

The Geratherm Group had a staff of 143 persons in total as of June 30, 2012 (2011: 135). 78.5 % of the staff is employed in Germany.

### Outlook

Due to the weak demand for gallium-filled thermometers, we have decreased production by 30 % at the plant in Thuringia. Workforce was also adapted accordingly. With regard to costs, the burden resulting from adjusting capacity levels will be dispensed with after August 2012.

For the second half of the fiscal year, we are anticipating the demand for gallium-filled thermometers to recover. Sales dynamics in newly industrializing countries, where Geratherm is active, is expected to continue. By publishing the atrial fibrillation study, we are anticipating a significant increase in the number of stroke prevention centers joining the system.

The quality of earnings is likely to increase again during the second half of 2012. Based on current information, we will not attain the result from operating activities as posted for 2011. We still expect a considerably higher financial result compared to last year.

The general meeting of shareholders took place on June 8, 2012 in Munich, Germany. All items on the agenda were discussed and adopted by our shareholders at the annual general meeting. The shareholders in attendance represented 62.76 % of the share capital.

Geschwenda, August 2012



Dr. Gert Frank  
Chairman of the Board



Thomas Robst  
Head of Sales



## Statement of comprehensive income for the period January 1, 2012 to June 30, 2012

	April-June 2012 EUR	April-June 2011 EUR	Change	Jan.-June 2012 EUR	Jan.-June 2011 EUR	Change
Sales revenue	3,742,351	3,748,982	-0.2 %	7,859,860	8,529,941	-7.9 %
Change in inventories of semi-finished and finish products	330,627	338,813	-2.4 %	327,179	452,735	-27.7 %
Other capitalized own work	0	0		0	0	
Other operating income	118,506	140,682	-15.8 %	179,645	247,617	-27.5 %
	4,191,484	4,228,477	-0.9 %	8,366,684	9,230,293	-9.4 %
Cost of Materials						
Cost of raw materials, consumables and goods for resale	-1,836,687	-1,479,555	24.1 %	-3,601,290	-3,476,443	3.6 %
Costs of purchased services	-73,764	-89,508	-17.6 %	-166,983	-176,706	-5.5 %
	-1,910,451	-1,569,063	21.8 %	-3,768,273	-3,653,149	3.2 %
<b>Gross profit or loss</b>	<b>2,281,033</b>	<b>2,659,414</b>	<b>-14.2 %</b>	<b>4,598,411</b>	<b>5,577,144</b>	<b>-17.5 %</b>
Personnel expenses						
Wages and salaries	-764,581	-851,853	-10.2 %	-1,456,081	-1,718,582	-15.3 %
Social security, pension and other benefits	-178,226	-184,009	-3.1 %	-382,024	-365,498	4.5 %
	-942,807	-1,035,862	-9.0 %	-1,838,105	-2,084,080	-11.8 %
Amortization of intangible assets and depreciation of tangible assets	-200,498	-164,480	21.9 %	-372,389	-330,782	12.6 %
Other operating expenses	-1,113,140	-1,126,174	-1.2 %	-2,215,177	-2,232,267	-0.8 %
<b>Operating results</b>	<b>24,588</b>	<b>332,898</b>	<b>-92.6 %</b>	<b>172,740</b>	<b>930,015</b>	<b>-81.4 %</b>
Dividend income	113,082	94,696	19.4 %	121,626	105,548	15.2 %
Income from securities trading	250,572	908,021	-72.4 %	290,555	908,021	-68.0 %
Losses from securities	0	-338,805	-100.0 %	0	-338,805	-100.0 %
Securities-related expenses	-24,606	-24,022	2.4 %	-25,806	-30,278	-14.8 %
Other interest and similar income	6,730	13,334	-49.5 %	16,286	24,167	-32.6 %
Interests and similar expenses	-18,496	-26,458	-30.1 %	-32,924	-40,477	-18.7 %
<b>Financial results</b>	<b>327,282</b>	<b>626,766</b>	<b>-47.8 %</b>	<b>369,737</b>	<b>628,176</b>	<b>-41.1 %</b>
<b>Result of ordinary activities</b>	<b>351,870</b>	<b>959,664</b>	<b>-63.3 %</b>	<b>542,477</b>	<b>1,558,191</b>	<b>-65.2 %</b>
Income taxes	-43,655	-144,820	-69.9 %	-98,099	-356,125	-72.5 %
<b>Group net profit for the period</b>	<b>308,215</b>	<b>814,844</b>	<b>-62.2 %</b>	<b>444,378</b>	<b>1,202,066</b>	<b>-63.0 %</b>
Minority interests result	-12,616	-42,964	-70.6 %	-9,051	-131,954	-93.1 %
<b>Net earnings of the parent company's shareholders in the period concerned</b>	<b>320,831</b>	<b>857,808</b>	<b>-62.6 %</b>	<b>453,429</b>	<b>1,334,020</b>	<b>-66.0 %</b>
<b>EBITDA</b>	<b>225,086</b>	<b>497,378</b>	<b>-54.7 %</b>	<b>545,129</b>	<b>1,260,797</b>	<b>-56.8 %</b>
<b>Earnings per share undiluted</b>	<b>0.06</b>	<b>0.17</b>	<b>-64.7 %</b>	<b>0.09</b>	<b>0.27</b>	<b>-66.7 %</b>

## Statement of financial position as at the end of the period by June 30, 2012

Assets	30. June 2012 EUR	31. December 2011 EUR	Change
<b>A. Long-term assets</b>			
<b>I. Intangible assets</b>			
1. Development costs	306,652	427,043	-28.2 %
2. Software	21,529	26,342	-18.3 %
3. Goodwill	75,750	75,750	0.0 %
	403,931	529,135	-23.7 %
<b>II. Tangible assets</b>			
1. Land, land rights and buildings	1,234,966	1,051,726	17.4 %
2. Technical equipment and machinery	2,182,336	1,719,117	26.9 %
3. Other equipment, factory and office equipment	236,859	249,529	-5.1 %
4. Construction in process	316,917	691,035	-54.1 %
	3,971,078	3,711,407	7.0 %
<b>III. Deferred taxes</b>	1,446,759	1,502,384	-3.7 %
	<b>5,821,768</b>	<b>5,742,926</b>	<b>1.4 %</b>
<b>B. Short-term assets</b>			
<b>I. Inventories</b>			
1. Raw materials and supplies	1,143,994	1,473,887	-22.4 %
2. Unfinished goods	1,757,516	1,364,390	28.8 %
3. Finished goods and merchandise	3,308,786	3,124,793	5.9 %
	6,210,296	5,963,070	4.1 %
<b>II. Receivables and other assets</b>			
1. Trade receivables	2,936,303	2,890,938	1.6 %
2. Tax receivables	157,857	98,069	61.0 %
3. Other assets	339,886	354,226	-4.0 %
	3,434,046	3,343,233	2.7 %
<b>III. Securities</b>	4,864,644	5,309,329	-8.4 %
<b>IV. Cash and cash equivalents</b>	3,001,478	4,224,480	-29.0 %
	<b>17,510,464</b>	<b>18,840,112</b>	<b>-7.1 %</b>
	<b>23,332,232</b>	<b>24,583,038</b>	<b>-5.1 %</b>
<b>Equity and Liabilities</b>			
<b>A. Equity capital</b>			
I. Subscribed capital	4,949,999	4,949,999	0.0 %
II. Capital reserves	10,672,874	10,672,874	0.0 %
III. Other reserves	2,273,845	3,435,162	-33.8 %
Minority interests assigned to the shareholders of the parent	17,896,718	19,058,035	-6.1 %
Non-controlling interests	-405,590	-393,150	3.2 %
	<b>17,491,128</b>	<b>18,664,885</b>	<b>-6.3 %</b>
<b>B. Long-term debts</b>			
1. Liabilities to banks	900,000	1,100,000	-18.2 %
2. Accrued investment subsidies	743,750	782,680	-5.0 %
3. Other long-term liabilities	596,079	609,444	-2.2 %
	<b>2,239,829</b>	<b>2,492,124</b>	<b>-10.1 %</b>
<b>C. Short-term debts</b>			
1. Liabilities to banks	1,700,714	1,463,485	16.2 %
2. Payment on accounts	99,504	41,825	>100.0 %
3. Trade payables	976,797	1,131,346	-13.7 %
4. Tax liabilities	189,714	136,096	39.4 %
5. Other short-term liabilities	634,546	653,277	-2.9 %
	3,601,275	3,426,029	5.1 %
	<b>23,332,232</b>	<b>24,583,038</b>	<b>-5.1 %</b>

## Statement of cash flow for the period January 1, 2012 to June 30, 2012

	January – June 2012 kEUR	January – June 2011 kEUR
Group net profit for the period	444	1,202
Other costs affecting income/expenses	-7	-21
Dividend income	-122	-105
Interest earnings	-16	-24
Interest expenses	33	40
Decrease in deferred taxes	56	278
Income tax expenditure	42	78
Depreciation of fixed assets	372	331
Income from securities trading	-291	-908
Losses from securities trading	0	0
Losses from valuation of securities	0	339
Amortisation of public grants and subsidies	-39	-35
Loss from disposal of fixed assets	0	0
<b>Gross cash flow</b>	<b>472</b>	<b>1,175</b>
Increase in loan liabilities	-247	-189
Decrease/increase in trade receivables and other assets	-91	847
Decrease in current liabilities and other liabilities	-62	-269
Monies received from dividends	122	105
Monies received from interest	16	24
Cash outflow from interest	-33	-40
Cash outflow for income taxes	-42	-249
<b>Cash flow from operations</b>	<b>135</b>	<b>1,404</b>
Cash outflow for investments in fixed assets	-506	-221
Monies received based on financial assets	898	1,515
Cash outflow based on financial assets	-289	-2,165
<b>Cash flow from investments</b>	<b>103</b>	<b>-871</b>
Cash inflow from minority interests	0	39
Dividend payout to minority interests	0	-18
Dividend payments	-1,485	-1,980
Decrease/increase in loan liabilities	37	-157
Decrease/increase of long-term liabilities	-13	50
<b>Cash flow from financing activities</b>	<b>-1,461</b>	<b>-2,066</b>
<b>Change in cash and cash equivalents</b>	<b>-1,223</b>	<b>-1,533</b>
<b>Cash and cash equivalents at the start of the reporting period</b>	<b>4,224</b>	<b>5,519</b>
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>3,001</b>	<b>3,986</b>

## Statement of changes in equity for the period by June 30, 2012

	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, 2011</b>	<b>4,949,999</b>	<b>10,577,354</b>	<b>1,004,598</b>	<b>55,346</b>	<b>4,029,635</b>	<b>20,616,932</b>	<b>-100,176</b>	<b>20,516,756</b>
Increase in share capital apoplexy medical technologies GmbH	0	0	0	0	0	0	39,000	39,000
Dividend payment to shareholders	0	0	0	0	-1,979,999	-1,979,999	-17,902	-1,997,901
<b>Transaction with shareholders and member partners</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-1,979,999</b>	<b>-1,979,999</b>	<b>21,098</b>	<b>-1,958,901</b>
Group period result	0	0	0	0	1,334,020	1,334,020	-131,954	1,202,066
Unrealised profits and losses from valuation of securities	0	0	-515,421	0	0	-515,421	0	-515,421
Currency translation in group	0	0	0	-10,848	0	-10,848	-10,422	-21,270
<b>Total consolidated income</b>	<b>0</b>	<b>0</b>	<b>-515,421</b>	<b>-10,848</b>	<b>1,334,020</b>	<b>807,751</b>	<b>-142,376</b>	<b>665,375</b>
<b>As of June 30, 2011</b>	<b>4,949,999</b>	<b>10,577,354</b>	<b>489,177</b>	<b>44,498</b>	<b>3,383,656</b>	<b>19,444,684</b>	<b>-221,454</b>	<b>19,223,230</b>
<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	-1,484,999	-1,484,999	0	-1,484,999
<b>Transaction with shareholders and member partners</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-1,484,999</b>	<b>-1,484,999</b>	<b>0</b>	<b>-1,484,999</b>
Group period result	0	0	0	0	453,429	453,429	-9,051	444,378
Unrealised profits and losses from valuation of securities	0	0	-126,219	0	0	-126,219	0	-126,219
Currency translation in group	0	0	0	-3,528	0	-3,528	-3,389	-6,917
<b>Total consolidated income</b>	<b>0</b>	<b>0</b>	<b>-126,219</b>	<b>-3,528</b>	<b>453,429</b>	<b>323,682</b>	<b>-12,440</b>	<b>311,242</b>
<b>As of June 30, 2012</b>	<b>4,949,999</b>	<b>10,672,874</b>	<b>-218,604</b>	<b>23,704</b>	<b>2,468,745</b>	<b>17,896,718</b>	<b>-405,590</b>	<b>17,491,128</b>

## Consolidated Statement of Earnings (IFRS) for the period from January 1, 2012 to June 30, 2012

	01/1-06/30/2012 EUR	01/1-06/30/2011 EUR
<b>Net earnings of the parent company's shareholders in the period concerned</b>	<b>453,429</b>	<b>1,334,020</b>
Result of the minority interests	-9,051	-131,954
<b>Group net profit for the period</b>	<b>444,378</b>	<b>1,202,066</b>
Profit and losses from the revaluation of securities	-126,219	-515,421
Difference resulting from currency translation	-6,917	-21,270
<b>Income and expenses directly included in equity capital</b>	<b>-133,136</b>	<b>-536,691</b>
<b>Total consolidated income</b>	<b>311,242</b>	<b>665,375</b>
of which assignable to minority interests	-12,440	-142,376
of which assignable to shareholders of parent company	323,682	807,751

## Segment Report for the period from January 1, 2012 to June 30, 2012

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

According to product segments	Healthcare Diagnostic Jan.-June kEUR	Med. Warming Systems Jan.-June kEUR	Cardio/ Stroke Jan.-June kEUR	Respiratory Jan.-June kEUR	Consolidation Jan.-June kEUR	Reconciliation Jan.-June kEUR	Total Jan.-June kEUR
<b>2011</b>							
<b>Segment sales</b>	<b>8,234</b>	<b>331</b>	<b>112</b>	<b>536</b>	<b>-683</b>	<b>0</b>	<b>8,530</b>
<b>Operating results</b>	<b>1,212</b>	<b>-3</b>	<b>-104</b>	<b>-23</b>	<b>156</b>	<b>-308</b>	<b>930</b>
of which:							
Amortisation of intangible assets and depreciation of tangible assets	331	19	2	5	-61	35	331
<b>Segment assets</b>	<b>10,432</b>	<b>834</b>	<b>246</b>	<b>651</b>	<b>0</b>	<b>11,052</b>	<b>23,215</b>
<b>Segment debts</b>	<b>4,719</b>	<b>139</b>	<b>605</b>	<b>341</b>	<b>0</b>	<b>0</b>	<b>5,804</b>

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

According to regions	Germany	Europe	USA	South America	Others	Total
2011	Jan.-June kEUR	Jan.-June kEUR	Jan.-June kEUR	Jan.-June kEUR	Jan.-June kEUR	Jan.-June kEUR
<b>Sales revenue</b>	<b>1,327</b>	<b>4,547</b>	<b>359</b>	<b>2,351</b>	<b>630</b>	<b>9,214</b>
Elimination of intercompany Sales	-240	0	0	-444	0	-684
<b>Sales revenue to third parties</b>	<b>1,087</b>	<b>4,547</b>	<b>359</b>	<b>1,907</b>	<b>630</b>	<b>8,530</b>
<b>Gross profit or loss</b>	<b>744</b>	<b>3,111</b>	<b>246</b>	<b>1,045</b>	<b>431</b>	<b>5,577</b>
<b>Operating results</b>	<b>148</b>	<b>620</b>	<b>49</b>	<b>27</b>	<b>86</b>	<b>930</b>
of which:						
Amortisation/depreciation of intangible assets and tangible assets	52	216	17	16	30	331
Amortisation of public grants and subsidies	6	24	2	0	3	35
<b>Acquisition costs of fixed assets for the period</b>	<b>213</b>	<b>0</b>	<b>0</b>	<b>8</b>	<b>0</b>	<b>221</b>
<b>Segment assets</b>	<b>21,580</b>	<b>0</b>	<b>0</b>	<b>1,635</b>	<b>0</b>	<b>23,215</b>

## Notes on Interim Consolidated Financial Statements for the Period from January 1, 2012 to June 30, 2012

### Accounting and Valuation Methods

The interim consolidated financial statements of Geratherm Medical AG were prepared for the six months of the 2012 fiscal year in accordance with the rules of the International Financial Reporting Standards (IFRS) valid on the date of the financial statements and in consideration of the guidance provided by the International Financial Reporting Interpretations Committee (IFRIC), as is mandatory in the European Union.

The accounting, evaluation and consolidation principles were maintained, as shown in the Notes to Consolidated Financial Statements for 2011 Fiscal Year.

The valuation of assets and liabilities is based in part on estimates and/or assumptions about future developments. For instance, the statements on economic useful life for long-term assets are based on estimates and assumptions. In addition, the assessment of the intrinsic value of deferred taxation allocated to the losses carried forward and the impairment tests of the cash-generating units and the assets is based on the corporate planning, which of course involves uncertainties such that the actual values may deviate from the made assumptions and estimates in individual cases. Estimates and the underlying assumptions are regularly checked and evaluated with regard to possible impact on accounting.

### Consolidated Group

No changes in the consolidation group have occurred during the first six months of 2012.

### Equity Capital

The development of the equity capital is shown in the consolidated statement of change to the shareholders' equity.

The subscribed capital of Geratherm Medical AG amounts all in all to EUR 4,949,999 as at 6/30/2012 (2011: EUR 4,949,999) and is divided into 4,949,999 (2011: 4,949,999) share certificates issued to the bearers. The subscribed capital has been paid in full. As of the reporting date there were no shares held by the company.

The shareholders of Geratherm Medical AG have agreed during the annual general meeting of the company on June 8, 2012 in Munich to distribute a dividend of 0.30 EUR per individual share. The dividend is disbursed in full from the tax contribution account in accordance with Art. 27 of KStG (not contributions to nominal capital) without any deduction of capital gains tax and solidarity surcharge. The dividend was distributed in the amount of EUR 1,484,999.70 on June 11, 2012.

These interim consolidated financial statements as at Saturday, June 30, 2012 were not audited or reviewed by the company's auditors.

## Financial Statement Affidavit

To the best of our knowledge, and in accordance with the applicable accounting 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 Group interim management report 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, in August of 2012



Dr. Gert Frank  
Chairman of the Board





Thomas Robst  
Head of Sales



## KEY DATES FOR 2012/2013

 Interim Report, 3<sup>rd</sup> Quarter  
November 22, 2012

 Analysts Conference  
November 29, 2012 in Hamburg

 Publication of 2012 Financial Report  
April 24, 2013

 Interim Report 1<sup>st</sup> Quarter  
May 23, 2013

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