

**Geratherm®**

**SOLUTIONS FOR A  
HEALTHY WORLD**

Interim Report 1<sup>st</sup> Quarter of 2014

# GERATHERM

## AT A GLANCE

Group financial ratio	January-March 2014	January-March 2013	Change
<b>Turnover</b>	<b>3,847 kEUR</b>	<b>4,374 kEUR</b>	<b>-12.0%</b>
Including export share	3,266 kEUR	3,792 kEUR	-13.9%
Export rate	85 %	87 %	-2.3%
Gross result (EBITDA)	501 kEUR	623 kEUR	-19.6%
<b>EBITDA-Margin</b>	<b>13.0%</b>	<b>14.2%</b>	<b>-8.5%</b>
Depreciation	-155 kEUR	-201 kEUR	-22.8%
<b>Operating results (EBIT)</b>	<b>346 kEUR</b>	<b>422 kEUR</b>	<b>-18.0%</b>
<b>EBIT margin</b>	<b>9.0%</b>	<b>9.6%</b>	<b>-6.3%</b>
Financial results	-46 kEUR	-51 kEUR	-9.1%
Result of ordinary activities	300 kEUR	371 kEUR	-19.2%
<b>Net earnings of the parent company's shareholders in the period concerned</b>	<b>190 kEUR</b>	<b>255 kEUR</b>	<b>-25.3%</b>
Long-term assets	4,959 kEUR	5,512 kEUR	-10.0%
Short-term assets	23,905 kEUR	22,193 kEUR	7.7%
Balance sheet total	28,864 kEUR	27,705 kEUR	4.2%
Equity capital	20,325 kEUR	19,147 kEUR	6.2%
Return on equity	3.7%	5.3%	-29.8%
Equity ratio	70.4%	69.1%	1.9%
Cash and securities	15,159 kEUR	13,480 kEUR	12.5%
<b>Result per share pursuant to IFRS (EPS)*</b>	<b>0.04 EUR</b>	<b>0.05 EUR</b>	<b>-20.0%</b>
<b>Result per share pursuant to DVFA*</b>	<b>0.04 EUR</b>	<b>0.05 EUR</b>	<b>-20.0%</b>
Number of employees at end of the period	119	116	2.6%
No-par value shares	4,949,999	4,949,999	-
* compared to registered shares in circulation	4,949,999	4,949,999	-

## Business Performance from 1 January to 31 March 2014

- Sales revenues EUR 3.8 million -12.0%
- Gross result for first quarter of the year (EBITDA) 501 kEUR -19.6%
- Operating result (EBIT) 346 kEUR -18.0%
- Results from ordinary business activities 300 kEUR -19.2%
- Earnings after taxes (EAT) 190 kEUR -25.3%
- Temporary decrease in sales in Brazil and postponed orders adversely influence the business performance in the first quarter

Dear Shareholders and Parties Interested in Geratherm Medical,

The development of sales and earnings of Geratherm Medical was weaker compared to the same quarter last year. The reasons for that include a strong first quarter in the prior year and loss of sales during the first three months of this year on the market in South America. These two factors have a significant influence on the reported earnings. When viewed separately, the first quarter of 2014 was considerably stronger in terms of earnings compared to the past three quarters.

With an EBITDA margin of 13.0% and an EBIT margin of 9.0% during the first quarter, we were operationally stronger than during the previous quarters.

The sales decreased by -12.0% to EUR 3.8 million in the first quarter of 2014 for the aforementioned reasons. The decrease in sales was mainly attributed to Brazil (-429 kEUR). The company's export share was 84.9% (2013: 86.7%).

The gross profit was at about the same level as in the previous year (-1.4%) with 2,278 kEUR. That means the company's total gross profit margin for the first three months is 59.2% (2013: 52.8%).

The operating result (EBIT) was during the 1st. quarter 346 kEUR (2013: 422 kEUR). The result from ordinary activities amounted to 300 kEUR (2013: 371 kEUR). The shareholders' result after taxes was 190 kEUR (2013: 255 kEUR) or EUR 0.04 per share (2013: EUR 0.05 per share).

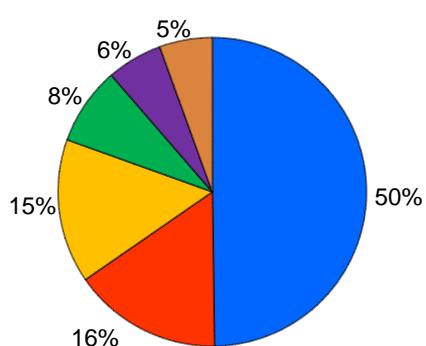
### Facts and Figures (in kEUR)

	I/14	IV/13	III/13	II/13	I/13
Sales	3,847	3,909	4,220	4,324	4,374
EBITDA	13.0%	5.8%	8.7%	8.9%	14.2%
EBIT	346	30	161	180	422
EPS (EUR)	0.04	0.14	0.01	0.07	0.05
Cash flow	479	179	266	216	611

### Sales Development

The sales development varied greatly in the individual regions. The relevance with regard to the regional sales development is limited due to the relatively brief three-month reporting period. The sales in Europe experienced a slight decrease of 2.1%. As already mentioned, the market in South America, Brazil in particular here, reported the largest decrease in sales of -41.7%. The sales in Germany did not change for the first three months. Market development in the Middle East was positive. Here the company was able to report a 35.3% increase in sales. The sales in the USA declined by -40.3%. This can essentially be attributed to a postponing of orders and will be offset in the next quarters. The sales in Other countries enjoyed an increase of 7.0%.

### Sales by regions 01.01. - 31.03.2014



	as of 31.03.2014 kEUR	as of 31.03.2013 kEUR	
Europe	1,915	1,957	-2.1%
South America	600	1,029	-41.7%
Germany	581	582	-0.2%
Middle East	314	232	+35.3%
USA	224	375	-40.3%
Other countries	213	199	+7.0%

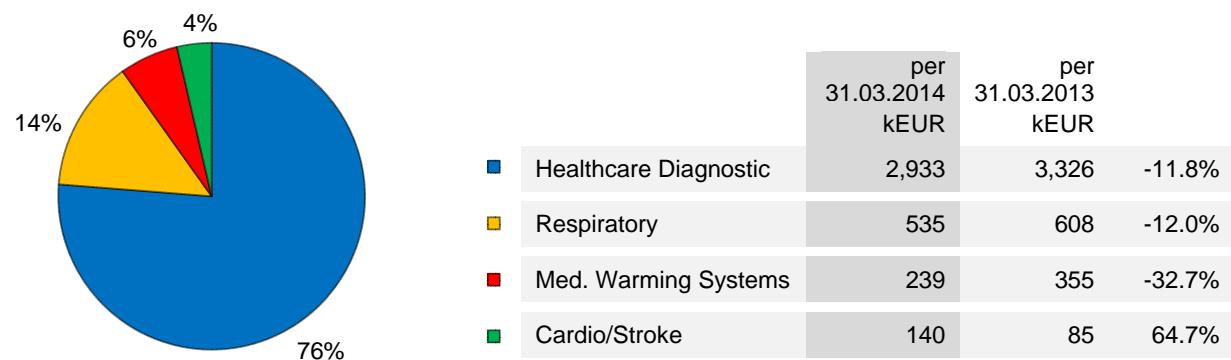
Sales by segments also provide a varied picture compared to the previous quarters. The sales revenues of the Healthcare Diagnostic segment declined by 11.8% due to the decrease in sales on the Brazilian market. The largest share of sales, the sales of gallium-filled thermometer, was slightly positive with a 42.1% share of the overall sales with a 1.7% growth.

The Respiratory segment, in which we offer products for testing pulmonary function, reported a 12.0% decline in sales during the first three months. We assume that we can more than compensate the temporary drop in sales in the next few months.

By comparison, the sales reported by the Medical Warming Systems segment were 32.7% lower for the first three months of this year due to the delivery of a larger order during the first quarter of last year. Even in this regard, we are expecting a prompt recovery of the decreased sales in the next few months.

The Cardio/Stroke segment was able to expand its quarterly sales again by +64.7%. The growth of this segment is expected to continue into the next quarters.

#### Sales by segments 01.01. - 31.03.2014



#### Earnings Situation

The operating result exhibited a negative development during the first quarter in light of the decline in sales. However, the gross profit remained with EUR 2.3 million almost on the same level as last year.

Higher personnel expenses did put a strain of the operating result compared to the prior year. With an EBIT of 346 kEUR and an EBIT margin of 9.0% we were still able to generate a good operating result for the quarter in spite of the decline in sales.

The financial result amounted to -46 kEUR, of which -54 kEUR (2013: -57 kEUR) accounted for interests and similar expenses. Here the interest charges of the subsidiary Geratherm do Brasil represented a burden with 36 kEUR. Income from dividends and securities were not reported during the first quarter. The result from ordinary activities for the first three months of the current fiscal year was 300 kEUR (2013: 372 kEUR).

Taxes on profit amounted to 120 kEUR (2013: 124 kEUR). The effective taxes amounted, however, to only 1 kEUR. The remaining amount of 119 kEUR accounted for the reduction of non-cash effective deferred tax assets due to the use of losses carried forward. All in all, a consolidated net profit for the first three months of 180 kEUR (2013: 247 kEUR) was reported.

During the first three months of the current fiscal year, a net result was generated for shareholders of the parent company in the amount of 190 kEUR (2013: 255 kEUR). The result per share for the first quarter of 2013 was EUR 0.04 (2013: EUR 0.05).

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

The financial base of Geratherm Medical is stable. The balance sheet total of EUR 28.9 million is essentially formed by equity capital in the amount of EUR 20.3 million. The equity-to-assets ratio was 70.4% as of the reporting date (2013: 69.1%).

As of 31 March 2014 the company had cash, cash equivalents and securities in the amount of EUR 15.2 million (2013: EUR 13.5 million). Thus, the company's financial situation is above-average.

There were no significant changes with regard to long-term assets. On the whole, this position was reported with EUR 5.0 million (-3.9%).

The intangible assets were with 702 kEUR slightly above the prior year's level. The tangible assets declined by 2.7% to EUR 3.2 million. The deferred taxes decreased by the use of the losses carried forward by 11.0% to 964 kEUR.

With regard to short-term assets, there was an increase in supplies by 12.8% to EUR 5.1 million. Due to the postponement of deliveries at the end of the quarter, the finished goods and products item increased by 26.9% to EUR 2.7 million.

The level of the receivables and other assets changed only slightly during the last three months by +2.4% and amounted to EUR 3.6 million as of 31 March 2014.

At the end of the quarter, the company held securities worth EUR 4.4 million (+1.6%). The cash and cash equivalents amounted to EUR 10.7 million (-3.3%)

The gross cash flow for the first three months of the current fiscal year was 479 kEUR (2013: 611 kEUR). The cash flow from operations was -233 kEUR (2013: 1,154 kEUR). The cash flow from investments amounted to -85 kEUR (2013: -383 kEUR).

## **Research and Development**

The focal points of our research and development efforts have not changed and primarily involved the business segments Medical Warming Systems, Respiratory and Cardio/Stroke. After completing the licensing stage for our new women care products at the start of the fiscal year, we are currently focusing our activities on the marketing of these products.

Geratherm's overall strategy is to establish for the future good distinguishing characteristics with highly innovative products that are associated with complex regulatory hurdles in order to allow us to hold our own in competition with significant product advantages.

## **Staff**

The Geratherm Group had a staff of 119 in total as of 31 March 2014 (2013: 116). 94 employees are in Germany.

## Outlook

For the second quarter, we are anticipating considerable growth from operations in terms of sales and earnings. The formation of Geratherm's new wholly owned subsidiary Sensor Systems GmbH is expected to have a positive impact. The company was founded at the end of the first quarter and aims to focus on sensor and filter production for the Respiratory segment.

We are looking forward to meeting with our shareholders at this year's annual general meeting on 27 May 2014, at 1:30 PM in "Hotel Tanne" in Ilmenau.

Geschwenda, May 2014



Dr. Gert Frank  
Chairman of the Board



Thomas Robst  
Head of Sales

**Statement of comprehensive income for the period January 1, 2014 to March 31, 2014**

	Jan.-March 2014 EUR	Jan.-March 2013 EUR	Change
Sales revenue	3,847,058	4,373,804	-12.0%
Change in stocks of finished and unfinished goods	22,491	-397,170	-
Other own work capitalized	0	7,702	-100.0%
Other operating income	140,406	160,354	-12.4%
	4,009,955	4,144,690	-3.3%
Material costs			
Costs for consumables, supplies and goods			
and for specific products	-1,619,254	-1,728,855	-6.3%
Costs of purchased services	-112,972	-105,294	7.3%
	-1,732,226	-1,834,149	-5.6%
<b>Gross profit</b>	<b>2,277,729</b>	<b>2,310,541</b>	<b>-1.4%</b>
Personnel expenses			
Wages and salaries	-720,133	-628,667	14.5%
Social contributions and expenditures for pensions	-165,428	-147,160	12.4%
	-885,561	-775,827	14.1%
Depreciation of intangible assets and tangible fixed assets	-154,780	-200,531	-22.8%
Other operating expenditure	-891,354	-912,089	-2.3%
<b>Operating results</b>	<b>346,034</b>	<b>422,094</b>	<b>-18.0%</b>
Income from dividends	0	0	-
Income from sale of securities	0	0	-
Depreciation of securities	0	0	-
Expenses from securities	-500	-499	0.2%
Other interest and related income	8,647	7,438	16.3%
Interests and similar expenses	-54,101	-57,491	-5.9%
<b>Financial result</b>	<b>-45,954</b>	<b>-50,552</b>	<b>-9.1%</b>
<b>Result of normal business activity</b>	<b>300,080</b>	<b>371,542</b>	<b>-19.2%</b>
Taxes on income and profit	-120,062	-124,079	-3.2%
<b>Group net profit for the period</b>	<b>180,018</b>	<b>247,463</b>	<b>-27.3%</b>
Result of non-controlling shareholders for the period	-10,437	-7,615	37.1%
<b>Net earnings of the parent company's shareholders in the period concerned</b>	<b>190,455</b>	<b>255,078</b>	<b>-25.3%</b>
<b>Gross result for first quarter of year (EBITDA)</b>	<b>500,814</b>	<b>622,625</b>	<b>-19.6%</b>
<b>Earnings per share undiluted</b>	<b>0.04</b>	<b>0.05</b>	<b>-20.0%</b>

**Statement of financial position as at the end of the period by  
March 31, 2014**

Assets	31. March 2014 EUR	31. December 2013 EUR	Change
<b>A. Long-term assets</b>			
I. Intangible assets			
1. Development costs	157,828	160,215	-1.5%
2. Other intangible assets	468,838	456,845	2.6%
3. Goodwill	75,750	75,750	-
	702,416	692,810	1.4%
II. Tangible assets			
1. Land and buildings	1,136,256	1,152,585	-1.4%
2. Plant and machinery	1,896,328	1,994,532	-4.9%
3. Other plants, operating and office equipment	163,429	169,047	-3.3%
4. Assets under construction	46,283	16,663	>100.0%
	3,242,296	3,332,827	-2.7%
III. Other assets	50,003	50,003	-
IV. Deferred taxes	964,367	1,083,646	-11.0%
	<b>4,959,082</b>	<b>5,159,286</b>	<b>-3.9%</b>
<b>B. Current assets</b>			
I. Inventories			
1. Raw, auxiliary and operating materials	1,362,157	1,260,058	8.1%
2. Unfinished products	1,102,077	1,185,681	-7.1%
3. Finished products and goods	2,652,198	2,089,779	26.9%
	5,116,432	4,535,518	12.8%
II. Receivables and other assets			
1. Trade accounts receivable	3,010,310	2,866,920	5.0%
2. Tax claims	379,795	380,903	-0.3%
3. Other assets	239,354	296,250	-19.2%
	3,629,459	3,544,073	2.4%
III. Securities	4,415,019	4,346,104	1.6%
IV. Means of payment	10,744,329	11,112,484	-3.3%
	<b>23,905,239</b>	<b>23,538,179</b>	<b>1.6%</b>
	<b>28,864,321</b>	<b>28,697,465</b>	<b>0.6%</b>
<b>Equity and Liabilities</b>			
<b>A. Equity</b>			
I. Subscribed capital	4,949,999	4,949,999	-
II. Capital reserves	10,711,677	10,711,677	-
III. Other reserves	5,300,448	5,043,049	5.1%
Attributable to parent company shareholders	20,962,124	20,704,725	1.2%
Non-controlling shareholders	-636,665	-624,334	2.0%
	<b>20,325,459</b>	<b>20,080,391</b>	<b>1.2%</b>
<b>B. Non-current liabilities</b>			
1. Liabilities to banks	2,695,322	2,934,852	-8.2%
2. Accrued investment subsidies	669,767	697,787	-4.0%
3. Other long-term liabilities	596,079	596,079	-
	<b>3,961,168</b>	<b>4,228,718</b>	<b>-6.3%</b>
<b>C. Current liabilities</b>			
1. Amounts owed to credit institutions	2,332,535	2,143,250	8.8%
2. Advances received	72,497	48,104	50.7%
3. Trade accounts payable	1,313,574	1,358,482	-3.3%
4. Tax liabilities	69,933	84,127	-16.9%
5. Other current liabilities	789,155	754,393	4.6%
	<b>4,577,694</b>	<b>4,388,356</b>	<b>4.3%</b>
	<b>28,864,321</b>	<b>28,697,465</b>	<b>0.6%</b>

## Statement of cash flow for the period January 1, 2014 to March 31, 2014

	January – March 2014 kEUR	January – March 2013 kEUR
Group net profit for the period	180	247
Other non-cash expenses	-4	16
Dividend income	0	0
Interest income	-9	-7
Interest paid	54	57
Decrease in deferred taxes	119	112
Expenditure from income taxes	1	12
Depreciation of fixed assets	155	201
Income from the sale of securities	0	0
Losses from securities trading	0	0
Depreciation of securities	0	0
Amortization of allowances and subsidies	-28	-27
Loss on disposal of fixed assets	11	0
<b>Gross cash flow</b>	<b>479</b>	<b>611</b>
Decrease/increase in inventories	-581	738
Increase in trade receivables and other assets	-151	-142
Increase in current and other liabilities	0	20
Cash from dividends	0	0
Inflow from interest	9	7
Outflow from interest	-54	-57
Inflow/Outflow of taxes	65	-23
<b>Cash flow from operations</b>	<b>-233</b>	<b>1,154</b>
Outflow for investment in fixed assets	-85	-250
Inflow from funds for investments	0	0
Payments from financial investments	0	0
Cash for financial investment	0	-133
<b>Cash flow from investments</b>	<b>-85</b>	<b>-383</b>
Cash inflow from non-controlling shareholders	0	0
Distribution of profits to non-controlling shareholders	0	0
Dividend distribution	0	0
Proceeds from the repayment of loans	288	0
Outflows for the repayment of loans	-338	-215
Decrease/increase in fixed liabilities	0	0
<b>Cash flow from financing activities</b>	<b>-50</b>	<b>-215</b>
<b>Change in cash and cash equivalents</b>	<b>-368</b>	<b>556</b>
<b>Cash and cash equivalents at the start of the reporting period</b>	<b>11,112</b>	<b>8,810</b>
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>10,744</b>	<b>9,366</b>

## Statement of changes in equity for the period by March 31, 2014

	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, 2013</b>	<b>4,949,999</b>	<b>10,711,677</b>	<b>144,916</b>	<b>17,968</b>	<b>3,209,505</b>	<b>19,034,065</b>	<b>-412,790</b>	<b>18,621,275</b>
Dividend payment to shareholders	0	0	0	0	0	0	0	0
<b>Transaction with associates and shareholders</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Group period result	0	0	0	0	255,078	255,078	-7,615	247,463
Unrealized profits and losses from valuation of securities	0	0	262,418	0	0	262,418	0	262,418
Currency translation in group	0	0	0	8,271	0	8,271	7,946	16,217
<b>Total consolidated income</b>	<b>0</b>	<b>0</b>	<b>262,418</b>	<b>8,271</b>	<b>255,078</b>	<b>525,767</b>	<b>331</b>	<b>526,098</b>
<b>As of March 31, 2013</b>	<b>4,949,999</b>	<b>10,711,677</b>	<b>407,334</b>	<b>26,239</b>	<b>3,464,583</b>	<b>19,559,832</b>	<b>-412,459</b>	<b>19,147,373</b>
<b>As of January 1, 2014</b>	<b>4,949,999</b>	<b>10,711,677</b>	<b>1,477,897</b>	<b>11,865</b>	<b>3,553,287</b>	<b>20,704,725</b>	<b>-624,334</b>	<b>20,080,391</b>
Dividend payment to shareholders	0	0	0	0	0	0	0	0
<b>Transaction with associates and shareholders</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Group period result	0	0	0	0	190,455	190,455	-10,437	180,018
Unrealized profits and losses from valuation of securities	0	0	68,917	0	0	68,917	0	68,917
Currency translation in group	0	0	0	-1,973	0	-1,973	-1,894	-3,867
<b>Total consolidated income</b>	<b>0</b>	<b>0</b>	<b>68,917</b>	<b>-1,973</b>	<b>190,455</b>	<b>257,399</b>	<b>-12,331</b>	<b>245,068</b>
<b>As of March 31, 2014</b>	<b>4,949,999</b>	<b>10,711,677</b>	<b>1,546,814</b>	<b>9,892</b>	<b>3,743,742</b>	<b>20,962,124</b>	<b>-636,665</b>	<b>20,325,459</b>

## Consolidated Statement of Comprehensive Income (IFRS) for the period from January 1, 2014 to March 31, 2014

	01.01.-31.03.2014 EUR	01.01.-31.03.2013 EUR
<b>Net earnings of the parent company's shareholders in the period concerned</b>	<b>180,018</b>	<b>247,463</b>
<b>Income and expenses directly included in equity capital</b>		
<b>Which are reclassified under specific conditions to profit or loss:</b>		
Profit and losses from the revaluation of securities	68,917	262,418
Difference resulting from currency translation	-3,867	16,217
<b>Income and expenses directly included in equity capital</b>	<b>65,050</b>	<b>278,635</b>
<b>Total consolidated income</b>	<b>245,068</b>	<b>526,098</b>
Of which for non-controlling shareholders	-12,331	331
Of which for parent company shareholders	257,399	525,767

## Segment Report for the period from January 1, 2014 to March 31, 2014

According to product segments	Healthcare Diagnostic Jan.- March kEUR	Respiratory Jan.- March kEUR	Med. Warming Systems Jan.- March kEUR	Cardio/ Stroke Jan.- March kEUR	Consolidation Jan.- March kEUR	Reconciliation Jan.- March kEUR	Total Jan.- March kEUR
2014							
<b>Segment revenues</b>	<b>3,121</b>	<b>433</b>	<b>166</b>	<b>140</b>	<b>-13</b>	<b>0</b>	<b>3,847</b>
<b>Operating results</b>	<b>297</b>	<b>28</b>	<b>1</b>	<b>12</b>	<b>13</b>	<b>-5</b>	<b>346</b>
of which:							
Amortization of intangible assets and depreciation of tangible assets	136	2	3	1	-8	21	155
<b>Segment assets</b>	<b>10,896</b>	<b>872</b>	<b>924</b>	<b>222</b>	<b>0</b>	<b>14,986</b>	<b>27,900</b>
<b>Segment liabilities</b>	<b>7,424</b>	<b>225</b>	<b>331</b>	<b>559</b>	<b>0</b>	<b>0</b>	<b>8,539</b>

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

According to regions 2014	Europe Jan.-March KEUR	South America Jan.-March KEUR	Germany Jan.-March KEUR	Middle East Jan.-March KEUR	USA Jan.-March KEUR	Others Jan.-March KEUR	Total Jan.-March KEUR
<b>Sales revenue</b>	<b>1,915</b>	<b>601</b>	<b>593</b>	<b>314</b>	<b>224</b>	<b>213</b>	<b>3,860</b>
Elimination of intercompany Sales	0	-1	-12	0	0	0	-13
<b>Sales revenue to third parties</b>	<b>1,915</b>	<b>600</b>	<b>581</b>	<b>314</b>	<b>224</b>	<b>213</b>	<b>3,847</b>
<b>Gross profit or loss</b>	<b>1,127</b>	<b>366</b>	<b>342</b>	<b>185</b>	<b>132</b>	<b>126</b>	<b>2,278</b>
<b>Operating results</b>	<b>192</b>	<b>20</b>	<b>58</b>	<b>32</b>	<b>22</b>	<b>22</b>	<b>346</b>
of which:							
Amortization/depreciation of intangible assets and tangible assets	89	4	27	15	10	10	155
Amortization of public grants and subsidies	17	0	5	3	2	1	28
<b>Acquisition costs of fixed assets for the period</b>	<b>0</b>	<b>5</b>	<b>80</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>85</b>
<b>Segment assets</b>	<b>0</b>	<b>2,365</b>	<b>25,535</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>27,900</b>

According to regions 2013	Europe Jan.-March KEUR	South America Jan.-March KEUR	Germany Jan.-March KEUR	Middle East Jan.-March KEUR	USA Jan.-March KEUR	Others Jan.-March KEUR	Total Jan.-March KEUR
<b>Sales revenue</b>	<b>1,957</b>	<b>1,107</b>	<b>693</b>	<b>232</b>	<b>375</b>	<b>199</b>	<b>4,563</b>
Elimination of intercompany Sales	0	-78	-111	0	0	0	-189
<b>Sales revenue to third parties</b>	<b>1,957</b>	<b>1,029</b>	<b>582</b>	<b>232</b>	<b>375</b>	<b>199</b>	<b>4,374</b>
<b>Gross profit or loss</b>	<b>1,041</b>	<b>527</b>	<b>314</b>	<b>124</b>	<b>200</b>	<b>105</b>	<b>2,311</b>
<b>Operating results</b>	<b>208</b>	<b>66</b>	<b>62</b>	<b>25</b>	<b>40</b>	<b>21</b>	<b>422</b>
of which:							
Amortization/depreciation of intangible assets and tangible assets	113	7	34	13	22	12	201
Amortization of public grants and subsidies	16	0	5	2	3	1	27
<b>Acquisition costs of fixed assets for the period</b>	<b>0</b>	<b>8</b>	<b>242</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>250</b>
<b>Segment assets</b>	<b>0</b>	<b>2,420</b>	<b>24,167</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>26,587</b>

## Notes on the Interim Consolidated Financial Statements for the Period from 1 January 2014 to 31 March 2014

### Accounting and Valuation Methods

The interim consolidated financial statements of Geratherm Medical AG were prepared for the first three months of the 2014 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 the 2013 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

The following changes occurred in the consolidation group as of 31 March 2014:

Company	Share quota 31.03.2014	Share quota 31.03.2013
GME Rechte und Beteiligungen GmbH, Geschwenda / Germany	100.00%	100.00%
Sensor Systems GmbH, Steinbach Hallenberg / Germany	100.00%	-
apoplex medical technologies GmbH, Pirmasens / Germany	59.11%	59.11%
Geratherm Respiratory GmbH, Bad Kissingen / Germany	61.27%	61.27%
Geratherm Medical do Brasil Ltda., Sao Paulo / Brazil	51.00%	51.00%

Sensor Systems GmbH, which was founded in March of 2014, was entered in the Commercial Registry on 14 March 2014. Sensor Systems GmbH is a wholly owned subsidiary of Geratherm Medical AG and started its activities on 1 April 2014.

### 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 31.03.2014 (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.

## COMPANY CALENDAR 2014

Annual General Meeting in Ilmenau, "Hotel Tanne"	27 May
6-Month Report 2014	21 August
9-Month Report 2014	20 November

**Geratherm Medical AG**  
Fahrenheitstraße 1  
98716 Geschwenda  
Telefon: +49 36205 980  
Fax: +49 36205/98 115  
E-Mail: [info@geratherm.com](mailto:info@geratherm.com)  
Internet: [www.geratherm.com](http://www.geratherm.com)