

Geratherm®

*SOLUTIONS FOR A
HEALTHY WORLD*

9-Month Report 2014

GERATHERM

AT A GLANCE

Group financial ratio	January-Sept. 2014	January-Sept. 2013	Change
Turnover	14,022 kEUR	12,918 kEUR	8.5 %
Including export share	11,569 kEUR	11,436 kEUR	1.2 %
Export rate	83 %	89 %	-6.7 %
Gross result (EBITDA)	2,245 kEUR	1,376 kEUR	63.2 %
EBITDA-Margin	16.0 %	10.7 %	49.5 %
Depreciation	-534 kEUR	-613 kEUR	-12.8 %
Operating results (EBIT)	1,711 kEUR	763 kEUR	124.3 %
EBIT margin	12.2 %	5.9 %	106.8 %
Financial results	-136 kEUR	89 kEUR	-
Result of ordinary activities	1,575 kEUR	852 kEUR	84.9 %
Net earnings of the parent company's shareholders in the period concerned	1,096 kEUR	624 kEUR	75.7 %
Long-term assets	5,108 kEUR	5,261 kEUR	-2.9 %
Short-term assets	23,680 kEUR	22,608 kEUR	4.7 %
Balance sheet total	28,788 kEUR	27,869 kEUR	3.3 %
Equity capital	20,048 kEUR	19,225 kEUR	4.3 %
Return on equity	7.3 %	4.3 %	68.4 %
Equity ratio	69.6 %	69.0 %	0.9 %
Cash and securities	13,071 kEUR	14,164 kEUR	-7.7 %
Result per share pursuant to IFRS (EPS)*	0.22 EUR	0.13 EUR	69.2 %
Result per share pursuant to DVFA*	0.22 EUR	0.13 EUR	69.2 %
Number of employees at end of the period	149	115	29.6 %
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 January 1 to September 30, 2014

- Sales revenues EUR 14.0 million +8.5%
- Gross earnings for first nine months (EBITDA) EUR 2.3 million +63.2%
- Operating result (EBIT) EUR 1.7 million +124.3%
- Results of ordinary business activity EUR 1.6 million +84.9%
- Earnings after taxes (EAT) EUR 1.1 million +75.7%
- Acquisition of LMT Medical, Lübeck, extends the Warming Systems segment

Dear Shareholders and Parties Interested in Geratherm Medical,

The positive sales and earnings performance of Geratherm Medical continued during the 3rd quarter of 2014. The sales for the first nine months increased by 8.5%.

The Respiratory segment, posting a 105.8% growth in sales, enjoyed an above-average development. The sales in the Cardio/Stroke segment increased by 38.2%. The Medical Warming Systems segment also finished the period positively with +32.9% growth in sales. The sales of the Healthcare Diagnostic segment declined by 10.4%. The export ratio was 83%.

The EBITDA margin of business operations attained 16.0% (2013: 10.7%). The EBIT margin doubled, amounting to 12.2% (2013: 5.9%).

The 3rd quarter performed considerably better with a sales growth of +22.0% compared to the prior quarter. The gross profit EBITDA increased during the last three months to 863 kEUR (2013: 367 kEUR). The operating result EBIT amounted to 646 kEUR (2013: 161 kEUR). The financial result was slightly negative with -50 kEUR (2013: -53 kEUR). During the 3rd quarter, the result from ordinary activities amounted to 596 kEUR (2013: 108 kEUR). After deducting income tax, the company reported during the 3rd quarter a consolidated net profit of 381 kEUR (2013: 63 TEUR).

Less the minority interests, the result after taxes amounted during the third quarter to 8 EUR cents per share (2013: 1 EUR cent).

Facts and Figures

(in kEUR)

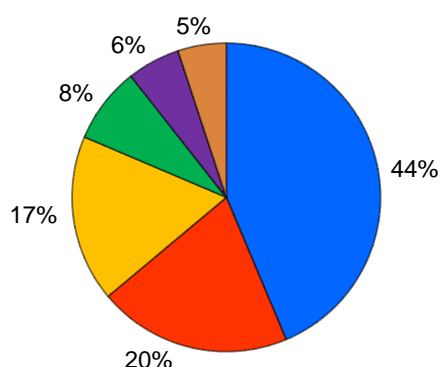
	III/14	II/14	I/14	IV/13	III/13
Sales	5,148	5,027	3,847	3,909	4,220
EBITDA margin	16.8%	17.5%	13.0%	5.8%	8.7%
EBIT	646	719	346	30	161
EPS (EUR)	0.08	0.10	0.04	0.14	0.01
Cash flow	853	854	479	179	266

Sales Development

The sales development of Geratherm Medical varied greatly in the individual markets. We posted strong growth on the European market with a 16.8% increase in sales. On the German market, sales increased by +65.5% as a result of acquisition effects.

The drop in sales noted in South America at the outset of the year has been made up in the meantime, still we had to report a decline of -14.7% for this market on an accumulative basis. For the Middle East region we posted a weaker sales performance with a drop of 13.3%. The sales of Geratherm products on the US market also exhibited a similarly weak performance. The sales in the Other countries segment developed favorably with a growth of 24.1%. This group of countries essentially includes Africa and Asia.

Sales by regions 1/1 to 9/30/2014

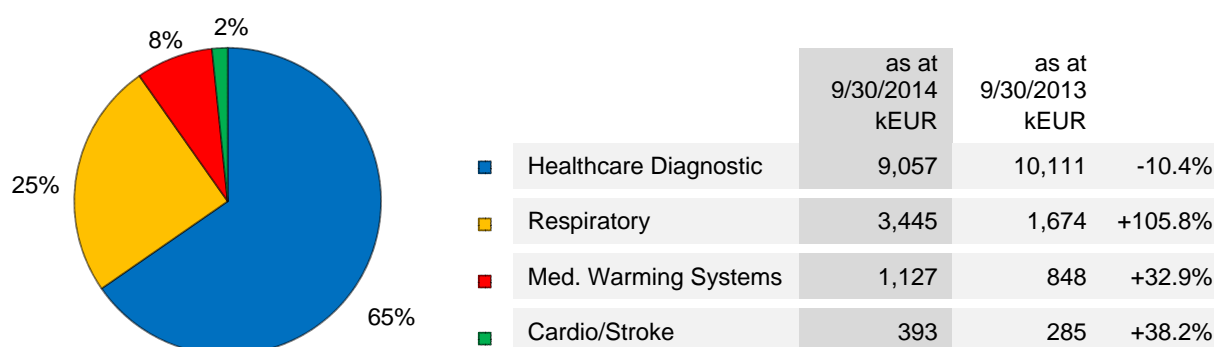


	as at 9/30/2014 kEUR	as at 9/30/2013 kEUR	
Europe	6,122	5,243	+16.8%
South America	2,840	3,330	-14.7%
Germany	2,453	1,482	+65.5%
Middle East	1,118	1,289	-13.3%
Other countries	778	627	+24.1%
USA	711	947	-24.9%

Products from the Healthcare Diagnostic segment represent the main source of revenue for Geratherm with a 64.6% share (2013: 78.3%) and include, e.g., different types of clinical thermometers, blood pressure monitors, etc., which are sold in pharmacies, hospitals and clinics. Sales generated by the segment decreased by -10.4%. This decrease was essentially affected by the even weaker performance on the South American market. We have taken this segment's decline in relative and absolute terms into consideration in our corporate strategy.

It is encouraging that we have succeeded in achieving an increasingly healthier development in the new business segments. These now represent a 35.4% share of the entire company (2013: 21.7%).

Sales by segments 1/1 to 9/30/2014



The healthy growth posted in the Respiratory segment was positively influenced by incorporating the Geratherm subsidiary Sensor Systems. This business unit produces, among other things, sensors for monitoring pulmonary function. One sensor is needed for every measurement with a patient. We assume that the increasing placement of more devices will increase the share of sales for the disposable sector in the Respiratory segment.

The Medical Warming Systems segment exhibited an increase in sales of 32.9% for the first nine months. That is an encouraging development. The increase in sales is due to the sale of Medical Warming Systems to a variety of hospitals and clinics in South America and Japan.

As of July 1, 2014, Geratherm Medical assumed the operations of LMT Medical, Lübeck, as part of an asset deal. The company develops, produces and markets incubator systems with integrated MRI diagnostics for newborn and premature babies. The acquisition is expected to strengthen the Warming Systems segment in the future. Due to the start-up curve, LMT's contribution to sales was still insignificant during the 3rd quarter. This will change during the 4th quarter.

The Cardio/Stroke segment also posted a similarly encouraging development with its 38.2% increase in sales. The affiliation with new hospitals and clinics in Germany has proved to be less dynamic than expected. Compared to last year, we did manage to win an additional 10 hospitals and clinics, which have decided to permanently install our technology for monitoring stroke patients. We are pleased that among the 10 new hospitals and clinics to join the network we managed to win over Universitätsklinikum Freiburg, Klinikum rechts der Isar, Munich and Nordwestkrankenhaus, Frankfurt/Main. Currently 47 hospitals and clinics have joined the network. In the registered doctors' sector, promising progress has been made with internationally oriented cooperation partners, which are interested in a large-scale deployment of apoplex technology in clinics specializing in cardiology and neurological services.

Earnings Situation

The quality of operating earnings improved considerably during the first nine months compared to last year. The result was supported by our export activities, which are primarily denominated in US dollars. Due to the rise in the value of the US dollar we reported exchange gains in the amount of 178 kEUR (2013: -112 kEUR).

With an EBITDA margin of 16.0% and an EBIT margin of 12.2%, we are above our original margin targets. The overall operating performance increased by 20.1% compared to the prior year. The overall operating performance recorded in the group during the 3rd quarter increased by 31.7% compared to the same period last year.

The gross profit exhibited an above-average increase of 26.4%. The gross margin amounts to 57.5% of the overall performance.

Personnel expenses increased by an above-average level of 26.8% during the first nine months of the year, and over the last three months by 35.3%. This can be primarily attributed in addition to the growth reported in almost all segments to the acquisition of LMT Medical on July 1, 2014. The staff costs for the 16 employees were not offset by any significant sales during the 3rd quarter. The situation is expected to change during the 4th quarter.

The gross result (EBITDA) was for the first nine months of the current fiscal year 2,245 kEUR (2013: 1,376 kEUR). The EBITDA margin increased from 10.7% to 16.0% compared to the same period last year. Amortization and depreciation decreased by 12.8% to 534 kEUR during the first nine months.

The operating income EBIT increased significantly to 1,711 kEUR (2013: 763 kEUR). The EBIT margin doubled to 12.2% during the current fiscal year.

The financial result of the Geratherm Group amounted to -136 kEUR (2013: +89 kEUR). The financial result was unfavorably affected by interest paid in the amount of 204 kEUR. The interest charges of our subsidiary in Brazil, which refinanced itself with a loan based on the local credit market, accounted for more than 154 kEUR.

Geratherm Medical posted for the first nine months of the current fiscal year a result from ordinary business activities of 1,575 kEUR (2013: 852 kEUR). Income taxes weighed on the result with 480 kEUR (2013: 203 kEUR). The effective taxes amounted to only 151 kEUR, with Sensor Systems GmbH accounting for 118 kEUR. The remaining amount of 329 kEUR accounted for the decrease of non-cash effective deferred tax assets due to the use of losses carried forward.

The consolidated net profit for the first nine months was 1,096 kEUR (2013: 649 kEUR), an increase of 68.7%. After considering the results attributable to minority interests, the shareholders of the parent company enjoyed for the first nine months a net income of 1,096 kEUR (2013: 624 kEUR), an increase of 75.7%. The result per share for the first nine months is 22 EUR cents (2013: 13 EUR cents).

Net Assets and Financial Situation

In spite of the healthy growth in the overall operating performance of the company and the two acquisitions carried out during the past six months, Geratherm Medical boasts a favorable asset and financial situation. The balance sheet total amounts to EUR 28.8 million (2013: EUR 28.7 million) and is essentially formed by equity capital in the amount of EUR 20.0 million (2013: EUR 20.1 million).

On the balance sheet as of Sept. 30, 2014, the company had cash, cash equivalents and securities in the amount of EUR 13.1 million.

The equity-to-assets ratio was 69.6% as of the reporting date (2013: 69.0%). The return on equity amounted to 7.3% (2013: 4.3%). The overall return on equity was for the first nine months 8.6% (2013: 5.5%).

The long-term assets amount to EUR 5.1 million (2013: EUR 5.2 million). The intangible assets increased by +26.3% to 875 kEUR.

The tangible assets remained essentially at the same level as last year and amounted to EUR 3.4 million. The deferred taxes decreased by the reported profits to 754 kEUR (2013: 1,084 kEUR).

The short-term assets increased slightly by 0.6% to EUR 23.7 million. The inventories item increased significantly from EUR 4.5 million to EUR 6.0 million. The increase can be mainly attributed to the acquisition of the inventories of LMT Medical amounting to approx. 600 kEUR.

The accounts receivable rose by 29.7% to EUR 4.6 million. The increase in the accounts receivable can be primarily attributed to the business activities of our subsidiary in Brazil.

The gross cash flow for the first nine months increased to 2,186 kEUR (2013: 1,093 kEUR). The cash flow from operations was 72 kEUR (2013: 1,856 kEUR). The cash flow from investments was -1,111 kEUR (2013: -168 kEUR).

The cash and cash equivalents at the end of the period under review amounted to 9,021 kEUR (2013: 9,282 kEUR).

Research and Development

The research and development activities of Geratherm Medical are based on medium to long-term objectives. The Respiratory and Cardio/Stroke segments did not experience any significant changes during the past three months.

With the acquisition of LMT Medical, Lübeck, we will increase our research and development activities significantly in the Warming Systems segment. LMT Medical is a medtec enterprise that focuses mainly on development. Nearly half of the employees are involved in the development and licensing of medical products.

Geratherm is right now in the process of becoming a premium product medtec company. In this context, the acquisition of LMT Medical represents an important building block. The enterprise has with its MRI Incubator product for premature babies a unique solution that is without parallel worldwide. LMT's products are already used in more than 80 hospitals and clinics with an export share of 90%. In light of this, the enterprise fits in well with Geratherm Medical's strategic focus for the future.

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 149 persons in total as of September 30, 2014 (2013: 115). 128 employees are in Germany.

Outlook

We anticipate for the 4th quarter that business will continue to develop favorably. In our core business we have increased production capacities for gallium-filled clinical thermometers at our Geschwenda plant on October 1 due to the increase in demand. The start-up curve with the higher production volume is likely to have a noticeable favorable impact on sales and income during the 4th quarter. The capacity increase is initially planned through to the end of 2015.

The Warming Systems segment should also post a considerable increase in terms of sales during the 4th quarter. Besides the good order situation for our emergency response and operating room systems, we also expect that the newly acquired LMT Medical will make a positive contribution to sales.

Due to the current underlying conditions, we expect the positive business performance will continue.

Geschwenda, November 2014



Dr. Gert Frank
Chairman of the Board



Thomas Robst
Head of Sales

Statement of comprehensive income for the period January 1, 2014 to September 30, 2014

	July-Sept. 2014 EUR	July-Sept. 2013 EUR	Change	Jan.-Sept. 2014 EUR	Jan.-Sept. 2013 EUR	Change
Sales revenue	5,147,555	4,219,268	22.0%	14,021,856	12,917,640	8.5%
Change in stocks of finished and unfinished goods	23,723	-127,232	-	462,303	-655,798	-
Other own work capitalized	24,329	5,656	>100.0%	24,329	27,437	-11.3%
Other operating income	389,440	142,030	>100.0%	611,629	297,252	>100.0%
	5,585,047	4,239,722	31.7%	15,120,117	12,586,531	20.1%
Material costs						
Costs for consumables, supplies and goods and for specific products	-2,146,174	-1,865,277	15.1%	-6,019,123	-5,359,949	12.3%
Costs of purchased services	-183,955	-118,546	55.2%	-410,502	-350,667	17.1%
	-2,330,129	-1,983,823	17.5%	-6,429,625	-5,710,616	12.6%
Gross profit	3,254,918	2,255,899	44.3%	8,690,492	6,875,915	26.4%
Personnel expenses						
Wages and salaries	-911,810	-673,751	35.3%	-2,561,476	-2,001,575	28.0%
Social contributions and expenditures for pensions	-209,858	-155,486	35.0%	-563,033	-462,320	21.8%
	-1,121,668	-829,237	35.3%	-3,124,509	-2,463,895	26.8%
Depreciation of intangible assets and tangible fixed assets	-217,299	-205,847	5.6%	-534,305	-613,053	12.8%
Other operating expenditure	-1,270,024	-1,060,058	19.8%	-3,320,723	-3,036,104	9.4%
Operating results	645,927	160,757	>100.0%	1,710,955	762,863	>100.0%
Income from dividends	0	0	-	36,000	54,145	-33.5%
Income from sale of securities	18,641	52,614	-64.6%	18,641	347,858	-94.6%
Depreciation of securities	0	0	-	0	0	-
Expenses from securities	-2,746	-54,466	-95.0%	-3,555	-156,926	-97.7%
Other interest and related income	4,055	4,884	-17.0%	17,568	16,384	7.2%
Interests and similar expenses	-69,632	-55,962	24.4%	-204,146	-172,196	18.6%
Financial result	-49,682	-52,930	-6.1%	-135,492	89,265	-
Result of normal business activity	596,245	107,827	>100.0%	1,575,463	852,128	84.9%
Taxes on income and profit	-214,980	-45,126	>100.0%	-479,758	-202,797	>100.0%
Group net profit for the period	381,265	62,701	>100.0%	1,095,705	649,331	68.7%
Result of non-controlling shareholders for the period	-17,204	27,506	-	-292	25,555	-
Net earnings of the parent company's shareholders in the period concerned	398,469	35,195	>100.0%	1,095,997	623,776	75.7%
Gross result for first quarter of year (EBITDA)	863,226	366,604	>100.0%	2,245,260	1,375,916	63.2%
Earnings per share undiluted	0.08	0.01	>100.0%	0.22	0.13	69.2%

Statement of financial position as at the end of the period by September 30, 2014

Assets	30. September 2014 EUR	31. December 2013 EUR	Change
A. Long-term assets			
I. Intangible assets			
1. Development costs	160,577	160,215	0.2%
2. Other intangible assets	526,795	456,845	15.3%
3. Goodwill	187,788	75,750	>100.0%
	875,160	692,810	26.3%
II. Tangible assets			
1. Land and buildings	1,103,601	1,152,585	-4.2%
2. Plant and machinery	1,945,337	1,994,532	-2.5%
3. Other plants, operating and office equipment	349,979	169,047	>100.0%
4. Assets under construction	14,738	16,663	-11.6%
	3,413,655	3,332,827	2.4%
III. Other assets	64,709	50,003	29.4%
IV. Deferred taxes	754,376	1,083,646	-30.4%
	5,107,900	5,159,286	-1.0%
B. Current assets			
I. Inventories			
1. Raw, auxiliary and operating materials	1,839,459	1,260,058	46.0%
2. Unfinished products	1,539,258	1,185,681	29.8%
3. Finished products and goods	2,633,185	2,089,779	26.0%
	6,011,902	4,535,518	32.6%
II. Receivables and other assets			
1. Trade accounts receivable	3,770,545	2,866,920	31.5%
2. Tax claims	375,236	380,903	-1.5%
3. Other assets	450,751	296,250	52.2%
	4,596,532	3,544,073	29.7%
III. Securities	4,049,772	4,346,104	-6.8%
IV. Means of payment	9,021,693	11,112,484	-18.8%
	23,679,899	23,538,179	0.6%
	28,787,799	28,697,465	0.3%
Equity and Liabilities			
A. Equity			
I. Subscribed capital	4,949,999	4,949,999	-
II. Capital reserves	11,035,367	10,711,677	3.0%
III. Other reserves	4,352,374	5,043,049	-13.7%
Attributable to parent company shareholders	20,337,740	20,704,725	-1.8%
Non-controlling shareholders	-289,802	-624,334	-53.6%
	20,047,938	20,080,391	-0.2%
B. Non-current liabilities			
1. Liabilities to banks	2,303,316	2,934,852	-21.5%
2. Accrued investment subsidies	613,726	697,787	-12.0%
3. Other long-term liabilities	653,079	596,079	9.6%
	3,570,121	4,228,718	-15.6%
C. Current liabilities			
1. Amounts owed to credit institutions	2,193,759	2,143,250	2.4%
2. Advances received	81,659	48,104	69.8%
3. Trade accounts payable	1,256,515	1,358,482	-7.5%
4. Tax liabilities	221,639	84,127	>100.0%
5. Other current liabilities	1,416,168	754,393	87.7%
	5,169,740	4,388,356	17.8%
	28,787,799	28,697,465	0.3%

Statement of cash flow for the period January 1, 2014 to September 30, 2014

	January – September 2014 kEUR	January – September 2013 kEUR
Group net profit for the period	1,096	649
Other non-cash expenses	-3	-43
Dividend income	-36	-54
Interest income	-18	-16
Interest paid	204	172
Decrease in deferred taxes	329	156
Expenditure from income taxes	151	46
Depreciation of fixed assets	534	613
Income from the sale of securities	-19	-348
Losses from securities trading	0	0
Depreciation of securities	0	0
Amortization of allowances and subsidies	-84	-82
Loss on disposal of fixed assets	32	0
Gross cash flow	2,186	1,093
Increase/decrease in inventories	-1,476	839
Increase in trade receivables and other assets	-1,176	-110
Increase in current and other liabilities	611	178
Cash from dividends	36	54
Inflow from interest	18	16
Outflow from interest	-204	-172
Inflow/Outflow of taxes	77	-42
Cash flow from operations	72	1,856
Outflow for investment in fixed assets	-844	-456
Inflow from funds for investments	15	107
Payments from financial investments	1,251	1,589
Cash for financial investment	-1,533	-1,408
Cash flow from investments	-1,111	-168
Cash inflow from increase in capital	324	0
Cash inflow from non-controlling shareholders	336	0
Distribution of profits to non-controlling shareholders	0	-10
Dividend distribution	-1,188	-990
Proceeds from the repayment of loans	990	0
Outflows for the repayment of loans	-1,571	-216
Decrease/increase in fixed liabilities	57	0
Cash flow from financing activities	-1,052	-1,216
Change in cash and cash equivalents	-2,091	472
Cash and cash equivalents at the start of the reporting period	11,112	8,810
Cash and cash equivalents at the end of the reporting period	9,021	9,282

Statement of changes in equity for the period by September 30, 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
As of January 1, 2013	4,949,999	10,711,677	144,916	17,968	3,209,505	19,034,065	-412,790	18,621,275
Dividend payment to shareholders	0	0	0	0	-990,000	-990,000	-9,591	-999,591
Transaction with associates and shareholders	0	0	0	0	-990,000	-990,000	-9,591	-999,591
Group period result	0	0	0	0	623,776	623,776	25,555	649,331
Unrealized profits and losses from valuation of securities	0	0	997,014	0	0	997,014	0	997,014
Currency translation in group	0	0	0	-21,868	0	-21,868	-21,010	-42,878
Total consolidated income	0	0	997,014	-21,868	623,776	1,598,922	4,545	1,603,467
As of September 30, 2013	4,949,999	10,711,677	1,141,930	-3,900	2,843,281	19,642,987	-417,836	19,225,151
As of January 1, 2014	4,949,999	10,711,677	1,477,897	11,865	3,553,287	20,704,725	-624,334	20,080,391
Acquisition of business shares in LMT Medical Systems GmbH	0	0	0	0	0	0	100,000	100,000
Increase in share capital of subsidiary apoplex medical technologies GmbH	0	323,690	0	0	0	323,690	236,311	560,001
Dividend payment to shareholders	0	0	0	0	-1,188,000	-1,188,000	0	-1,188,000
Transaction with associates and shareholders	0	323,690	0	0	-1,188,000	-864,310	336,311	-527,999
Group period result	0	0	0	0	1,095,997	1,095,997	-292	1,095,705
Unrealized profits and losses from valuation of securities	0	0	-597,123	0	0	-597,123	0	-597,123
Currency translation in group	0	0	0	-1,549	0	-1,549	-1,487	-3,036
Total consolidated income	0	0	-597,123	-1,549	1,095,997	497,325	-1,779	495,546
As of September 30, 2014	4,949,999	11,035,367	880,774	10,316	3,461,284	20,337,740	-289,802	20,047,938

Consolidated Statement of Comprehensive Income (IFRS) for the period from January 1, 2014 to September 30, 2014

	01.01.-30.09.2014 EUR	01.01.-30.09.2013 EUR
Net earnings of the parent company's shareholders in the period concerned	1,095,705	649,331
Income and expenses directly included in equity capital		
Which are reclassified under specific conditions to profit or loss:		
Profit and losses from the revaluation of securities	-597,123	997,014
Difference resulting from currency translation	-3,036	-42,878
Income and expenses directly included in equity capital	-600,159	954,136
Total consolidated income	495,546	1,603,467
Of which for non-controlling shareholders	-1,779	4,545
Of which for parent company shareholders	497,325	1,598,922

Segment Report for the period from January 1, 2014 to September 30, 2014

The following market segment report is based on our own internal reports in accordance with IFRS 8. The effects of consolidation and reconciliation of the individual companies are stated separately.

According to product segments	Healthcare Diagnostic Jan.- Sept. kEUR	Respiratory Jan.- Sept. kEUR	Med. Warming Systems Jan.- Sept. kEUR	Cardio/ Stroke Jan.- Sept. kEUR	Consolidation Jan.- Sept. kEUR	Reconciliation Jan.- Sept. kEUR	Total Jan.- Sept. kEUR
2014							
Segment revenues	10,236	3,174	551	393	-332	0	14,022
Elimination of intragroup sales and reconciliation	-1,179	271	576	0	332	0	0
Sales revenues to third parties	9,057	3,445	1,127	393	0	0	14,022
Operating results	1,375	548	-267	-51	34	72	1,711
of which:							
Amortization of intangible assets and depreciation of tangible assets	437	25	34	5	-29	62	534
Segment assets	10,926	2,077	2,327	376	0	12,328	28,034
Segment liabilities	6,911	731	554	544	0	0	8,740

According to product segments	Healthcare Diagnostic Jan.- Sept. kEUR	Respiratory Jan.- Sept. kEUR	Med. Warming Systems Jan.- Sept. kEUR	Cardio/ Stroke Jan.- Sept. kEUR	Consolidation Jan.- Sept. kEUR	Reconciliation Jan.- Sept. kEUR	Total Jan.- Sept. kEUR
2013							
Segment revenues	11,505	1,350	610	290	-832	-5	12,918
Elimination of intragroup sales and reconciliation	-1,394	324	238	-5	832	5	0
Sales revenues to third parties	10,111	1,674	848	285	0	0	12,918
Operating results	1,172	188	-50	-65	-408	-74	763
of which:							
Amortization of intangible assets and depreciation of tangible assets	582	8	13	4	-58	64	613
Segment assets	10,909	937	729	163	0	14,057	26,795
Segment liabilities	8,239	92	245	68	0	0	8,644

According to regions	Europe Jan.- Sept. kEUR	South America Jan.- Sept. kEUR	Germany Jan.- Sept. kEUR	Middle East Jan.- Sept. kEUR	USA Jan.- Sept. kEUR	Others Jan.- Sept. kEUR	Total Jan.- Sept. kEUR
2014							
Sales revenue	6,122	2,965	2,660	1,118	711	778	14,354
Elimination of intercompany Sales	0	-125	-207	0	0	0	-332
Sales revenue to third parties	6,122	2,840	2,453	1,118	711	778	14,022
Gross profit or loss	3,882	1,586	1,569	709	451	493	8,690
Operating results	783	278	317	143	91	99	1,711
of which:							
Amortization/depreciation of intangible assets and tangible assets	286	10	116	52	33	37	534
Amortization of public grants and subsidies	46	0	19	8	5	6	84
Acquisition costs of fixed assets for the period	0	14	816	0	0	0	830
Segment assets	0	2,859	25,175	0	0	0	28,034

According to regions	Europe Jan.- Sept. kEUR	South America Jan.- Sept. kEUR	Germany Jan.- Sept. kEUR	Middle East Jan.- Sept. kEUR	USA Jan.- Sept. kEUR	Others Jan.- Sept. kEUR	Total Jan.- Sept. kEUR
2013							
Sales revenue	5,243	3,813	1,831	1,288	947	628	13,750
Elimination of intercompany Sales	0	-483	-349	0	0	0	-832
Sales revenue to third parties	5,243	3,330	1,482	1,288	947	628	12,918
Gross profit or loss	2,712	1,903	778	666	490	324	6,873
Operating results	270	268	77	66	49	33	763
of which:							
Amortization/depreciation of intangible assets and tangible assets	323	21	93	79	58	39	613
Amortization of public grants and subsidies	45	0	13	11	8	5	82
Acquisition costs of fixed assets for the period	0	8	448	0	0	0	456
Segment assets	0	2,534	24,261	0	0	0	26,795

Notes on Interim Consolidated Financial Statements for the Period from Jan. 1, 2014 to Sept. 30, 2014

Accounting and Valuation Methods

The interim consolidated financial statements of Geratherm Medical AG as at Sept. 30, 2014 were prepared 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 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 consolidated group as of Sept. 30, 2014:

Company	Share quota 9/30/2014	Share quota 9/30/2013
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	57.92%	59.11%
Geratherm Respiratory GmbH, Bad Kissingen, Germany	61.27%	61.27%
Geratherm Medical do Brasil Ltda., Sao Paulo, Brazil	51.00%	51.00%
LMT Medical Systems GmbH, Lübeck, Germany	66.67%	-

Sensor Systems GmbH was founded with the Articles of Association from February 25, 2014. The nominal capital is €25,000 and has been paid in full. The formation was entered in the Commercial Register on March 14, 2014. Sensor Systems GmbH is a wholly owned subsidiary of Geratherm Medical AG and started its activities on April 1, 2014. The company is engaged in the development, production and distribution of sensors, filters, connecting elements, electronic components and similar products for different industries, especially for the medical technology segment.

In accordance with the resolution of the shareholders' meeting from July 22, 2014, the share capital of apoplex medical technologies GmbH was increased by EUR 12,367 to EUR 618,367 by creating a new company share. The new share capital was paid in full in July. Entry in the Commercial Register was carried out on August 6, 2014. Geratherm's share in apoplex medical technologies GmbH thus changed from 59.11% to 57.92%.

Geratherm Medical AG participated in LMT Medical Systems GmbH with a stake of EUR 200,000. The share capital of LMT Medical Systems GmbH was increased to EUR 300,000 in accordance with the resolution of the shareholders' meeting from June 20, 2014. Geratherm Medical's share amounts to 66.67%. The share capital has been paid in full. Entry in the Commercial Register was carried out on July 4, 2014. LMT Medical Systems GmbH acquired a business unit of LMT Lammers Medical Technology GmbH, which is presently in bankruptcy proceedings, based on a purchase agreement from June 17, 2014, within the framework of an asset deal. Business operations commenced on July 1, 2014. LMT Medical Systems GmbH focuses primarily on the development and production of medical systems, such as incubators for premature babies with MRI diagnostics, and their sales. The purchase price allocation of LMT Medical Systems GmbH is tentative, since all assets and debts have not been assigned yet conclusively. The difference between the paid purchase price and the acquired net assets have been shown as goodwill for the time being.

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 Sept. 30, 2014 (2013: EUR 4,949,999) and is divided into 4,949,999 (2013: 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.

Geschwenda, November 2014



Dr. Gert Frank
Chairman of the Board



Thomas Robst
Head of Sales

COMPANY CALENDAR 2015

Publication Annual Report 2014	23. April
Annual General Meeting in Frankfurt/Main	05. June
3-Month Report	21. May
6-Month Report	20. August
9-Month Report	19. November

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