



Geratherm®

*SOLUTIONS FOR A
HEALTHY WORLD*

Half-yearly Report 2015

GERATHERM

AT A GLANCE

Facts and Figures	January-June 2015	January-June 2014	Change
Sales revenues	10,654 kEUR	8,874 kEUR	20.1 %
of which export share	9,154 kEUR	7,139 kEUR	28.2 %
Export ratio	86 %	80 %	7.5 %
Gross result (EBITDA)	1,901 kEUR	1,382 kEUR	37.6 %
EBITDA margin	17.8%	15.6%	14.1 %
Amortisation or depreciation	-422 kEUR	-317 kEUR	33.3 %
Operating result (EBIT)	1,479 kEUR	1,065 kEUR	38.9 %
EBIT margin	13.9 %	12.0 %	15.8 %
Financial result	-182 kEUR	-86 kEUR	111.6 %
Result of ordinary activities	1,297 kEUR	979 kEUR	32.4 %
Net earnings of the parent company's shareholders in the period concerned	1,057 kEUR	698 kEUR	51.5 %
Long-term assets	4,252 kEUR	4,954 kEUR	-14.2 %
Short-term assets	24,464 kEUR	22,662 kEUR	8.0 %
Balance sheet total	28,716 kEUR	27,616 kEUR	4.0 %
Equity capital	20,573 kEUR	19,134 kEUR	7.5 %
Return on equity	10.3 %	7.3 %	40.8 %
Equity ratio	71.6 %	69.3 %	3.3 %
Cash, cash equivalents and securities	13,464 kEUR	12,708 kEUR	5.9 %
Earnings per share according to IFRS (EPS)*	0.21 EUR	0.14 EUR	50.0 %
Earnings per share according to DVFA*	0.21 EUR	0.14 EUR	50.0 %
Number of employees at end of period	142	130	9.2 %
Unit shares	4,949,999	4,949,999	-
* based on united shares in circulation	4,949,999	4,949,999	-

Business Performance from 1 January to 30 June 2015

- Sales revenues EUR 10.7 million +20.1%
- Gross result for first six months of the year (EBITDA) 1,901 kEUR +37.6%
- Operating result (EBIT) 1,479 kEUR +38.9%
- Results from ordinary business activities 1,297 kEUR +32.4%
- Earnings after taxes (EAT) 1,057 kEUR +51.5%

Dear Shareholders and Parties Interested in Geratherm Medical,

The company continues to report positive results. All key performance indicators exhibit healthy growth in terms of sales and earnings over the first 6 months of the year.

Sales grew by +20.1% to EUR 10.7 million during the first two quarters. The gross profit experienced an above-average increase by +27.3% to EUR 6.9 million. That equates to a gross margin based on an overall performance of 63.3% (2014: 57.0%).

The EBITDA margin at the group level amounted to 17.8% (2014: 15.6 %), where the EBIT margin was 13.9% (2014: 12.0%).

The sales of the Healthcare Diagnostic segment increased by +19.5% during the first six months. The strongest growth driver was our environmentally friendly gallium-filled thermometers which posted a sales increase of +39.2%. This positive development should continue in the months ahead. Due to having a strong second quarter in the prior year and postponement of some orders to the third quarter, the sales recorded in the Respiratory segment dropped by -24.2% compared to the prior year. Our medical warming systems posted a healthy growth. Segment sales increased by +224.1% to 1,649 kEUR (2014: 509 kEUR) thanks to a good business performance and the first-time consolidation of LMT Medical. The Cardio/Stroke segment managed to report a sales growth of +26.8% for the first 6 months of the year.

In light of the very healthy quarter of the prior year, sales grew again for the entire company by +5.5% during the period from April to June 2015. The gross profit (EBITDA) increased by +10.4% and was for the past three months 973 kEUR (2014: 881 kEUR). The EBIT amounted to 760 kEUR (2014: 719 kEUR). The financial result was negative during the second quarter with -90 kEUR (2014: -40 kEUR). After deducting income tax, the company reported during the second quarter a consolidated net profit of 508 kEUR (2014: 534 kEUR). Less the minority interests, the result after taxes for the second quarter amounted to 10 EUR cents per share (2014: 10 EUR cents).

Facts and Figures (in kEUR)

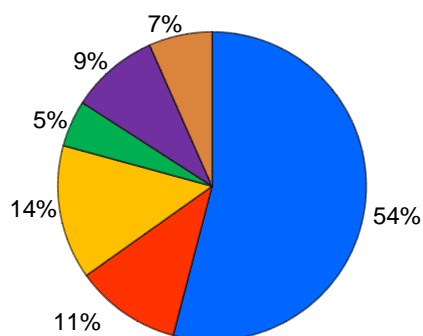
	II/15	I/15	IV/14	III/14	II/14
Sales	5,304	5,350	4,693	5,148	5,027
EBITDA margin	18.3%	17.4%	19.8%	16.8%	17.5%
EBIT	760	719	704	646	719
EPS (EUR)	0.10	0.11	0.12	0.08	0.10
Cash flow	920	964	845	853	854

Sales Development

Sales especially in Europe and on the US market were all in all above-average. The strong sales of gallium-filled thermometers in Europe supported the reported sales. In the US, Geratherm's subsidiary LMT Medical delivered two incubator systems to the university hospitals located in Washington and Saint Petersburg, Florida. That increased sales considerably on the US market.

The weaker sales posted in the Middle East region should balance itself out during the last six months of the year. Sales posted on the South American market continued to exhibit a downward trend. As a result of the sharp deterioration of the Brazilian Real and the focus on higher-margin products, we have experienced to date a double-digit decline in sales. Sales in the other countries were particularly encouraging. That can be attributed to the two major contracts for Algeria and Libya.

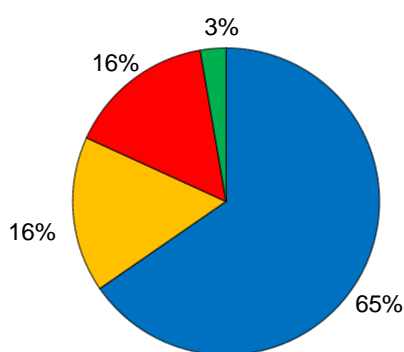
Sales by regions 1/1 to 30/6/2015



	as at 30/6/2015 kEUR	as at 30/6/2014 kEUR	
Europe	5,760	3,963	+45.3%
South America	1,183	1,561	-24.2%
Germany	1,500	1,735	-13.5%
Middle East	517	685	-24.5%
USA	988	426	+131.9%
Other countries	706	504	+40.1%

The current growth of Geratherm Medical can be mainly attributed to the core business activities and the new business areas. Although sales development fluctuated in part on a quarterly basis, the medium and long-term growth indicators are still intact.

Sales by segments 1/1 to 30/6/2015



	as at 30/6/2015 kEUR	as at 30/6/2014 kEUR	
Healthcare Diagnostic	6,967	5,829	+19.5%
Respiratory	1,750	2,309	-24.2%
Med. Warming Systems	1,649	509	>100.0%
Cardio/Stroke	288	227	+26.8%

The Healthcare Diagnostic segment managed to report a sales growth of +19.5% during the first 6 months. The growth was driven by the strong demand for clinical thermometers.

The Respiratory segment showed a decline in sales of -24.2%. That must be seen in the context of the fact that growth in the same period last year was +77.8%. The development in this segment is still encouraging. A major order placed by Zürich's University Hospital for more than six of Geratherm's product solutions for pulmonary function testing, including the connection to the hospital information system could no longer be reported during the second quarter, but should have a positive impact on the third quarter, however.

The Medical Warming Systems segment was able to post a very good sales growth of +224.1%. The strong growth in sales was favorably impacted by the inclusion of LMT Medical Systems, which generated healthy sales during in the second quarter in particular. The outlook for growth in this segment is also positive for the quarters ahead.

The Cardio/Stroke segment managed at a low level to augment its sales again by +26.8% compared to the prior year. We are optimistic that the cooperation with Pfizer Pharma GmbH, Germany will offer positive impetus. The cooperation initially focuses on targeting office-based physicians and healthcare professionals. The goal of the collaboration is to identify more patients with atrial fibrillation by utilizing a technology developed by apoplex medical technologies and preventing strokes by implementing prevention measures that comply with approved guidelines.

Earnings Situation

The operating result posted in the first half of the current business year showed an above-average growth due to its healthy sales development and inclusion of higher-margin products.

The gross margin of the overall performance amounted during the first six months to 63.3% (2014: 57.0%). The gross profit (EBITDA) was 1,901 kEUR (2014: 1,382 kEUR). The EBITDA margin increased from 15.6% to 17.8% compared to the same reference period last year. The write-offs increased to 422 kEUR (2014: 317 kEUR).

The operating result (EBIT) increased by +38.9% to 1,479 kEUR during the course of the first six months of the year. The EBIT margin improved from 12.0% to 13.9%. We clearly surpassed our target return of 10% for the Group for the first six months of the current business year.

Following the restructuring efforts of our Brazilian subsidiary, we were able to post once again an operating result during the second quarter.

The result from ordinary business activities of 1,297 kEUR (+32.4%) was generated for the first half of the year less the reported financial results of -182 kEUR (2014: -86 kEUR). Income taxes weighed on the result with 410 kEUR (2014: 265 kEUR). The effective taxes amount, however, to only 114 kEUR. The remaining amount of 296 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 six months of 2015 was 887 kEUR (2014: 714 kEUR), an increase of 24.1%. Less the result attributable to minority interests, a net income of 1,057 kEUR for the first half of the year was generated for the shareholders of the parent company, an increase of 51.5%. The result per share for the first six months is 21 EUR cents (2014: 14 EUR cents).

Net Assets and Financial Situation

The asset situation of Geratherm Medical is very stable. The balance sheet total of EUR 28.7 million is essentially formed by equity capital in the amount of EUR 20.6 million. The equity-to-assets ratio was 71.6% as of the reporting date (2014: 69.3%). The return on equity amounted to 10.3% (2014: 7.3%).

As of 30 June 2015 the company had cash, cash equivalents and securities in the amount of EUR 13.5 million (2014: EUR 12.7 million). Thus, the company has an above-average healthy financial position, particularly in light of the current growth phase and possible acquisitions.

The long-term assets amount to EUR 4.3 million (-13.7%). The intangible assets decreased by 10.5% to 646 kEUR due to depreciation and amortisation.

For tangible assets the company reported a decrease of -6.0% to EUR 3.1 million. The deferred taxes decreased by the reported profits to 288 kEUR (2014: 585 kEUR).

The inventories declined by 3.5% to EUR 6.8 million. The accounts receivable and other assets increased by 21.9% to EUR 4.2 million during the first six months of the year.

As of 30 June 2015, the company held securities worth EUR 5.3 million (+25.5%). The increase in this item is mainly explained by the increase in the value of the securities held. The cash and cash equivalents amounted to EUR 8.2 million (-7.7%)

The gross cash flow for the first six months increased to 1,884 kEUR (2014: 1,133 kEUR). The cash flow from operations was 1,801 kEUR (2014: -554 kEUR). The cash flow from investments increased to -714 kEUR (2014: -315 kEUR).

Research and Development

Our research and development activities are still focused essentially on our Warming Systems, Respiratory and Cardio/Stroke segments.

To bolster our research and development activities we acquired 9.1% interest in Protembis GmbH, Hamburg at the end of the second quarter. The company specializes in the development, production and commercialization of products to control embolisms. The future medical product ProtEmbo protects patients from the risk of a stroke during heart surgery. By increasing our research and development investments in this segment, we hope that we will gain additional competence in the Cardio/Stroke field.

Annual General Meeting

The annual general meeting of the shareholders of Geratherm Medical convened on 5 June 2015, at Grandhotel "Hessischer Hof" in Frankfurt am Main. All items on the agenda were discussed and adopted by our shareholders. The shareholders in attendance represented 65.7% (2014: 58.9%).

Staff

The Geratherm Group had a staff of 142 persons in total as of 30 June 2015 (2014: 130) with 126 employees in Germany.

Outlook

We anticipate that sales and earnings will continue to develop favourably for the third quarter of 2015. The outlook is supported by a healthy order situation in almost all segments. The sales cooperation with the pharmaceutical company Pfizer on the German market involving apoplexy technologies should have an impact on sales as of the fourth quarter of 2015.

Geschwenda, August 2015



Dr. Gert Frank
Chairman of the Board

Statement of comprehensive income for the period January 1, 2015 to June 30, 2015

	April-June 2015 EUR	April-June 2014 EUR	Change	Jan.-June 2015 EUR	Jan.-June 2014 EUR	Change
Sales revenue	5,304,247	5,027,243	5.5%	10,654,361	8,874,301	20.1%
Change in stocks of finished and unfinished goods	48,063	416,089	-88.4%	-105,229	438,580	-
Other own work capitalized	3,199	0	-	5,494	0	-
Other operating income	-60,252	81,783	-	377,974	222,189	70.1%
	5,295,257	5,525,115	-4.2%	10,932,600	9,535,070	14.7%
Material costs						
Costs for consumables, supplies and goods and for specific products	-1,793,175	-2,253,695	-20.4%	-3,781,964	-3,872,949	-2.3%
Costs of purchased services	-121,923	-113,575	7.4%	-232,076	-226,547	2.4%
	-1,915,098	-2,367,270	-19.1%	-4,014,040	-4,099,496	-2.1%
Gross profit	3,380,159	3,157,845	7.0%	6,918,560	5,435,574	27.3%
Personnel expenses						
Wages and salaries	-1,000,702	-929,533	7.7%	-1,999,489	-1,649,666	21.2%
Social contributions and expenditures for pensions	-246,814	-187,747	31.5%	-468,945	-353,175	32.8%
	-1,247,516	-1,117,280	11.7%	-2,468,434	-2,002,841	23.2%
Depreciation of intangible assets and tangible fixed assets	-212,548	-162,226	31.0%	-422,436	-317,006	33.3%
Other operating expenditure	-1,159,999	-1,159,345	0.1%	-2,548,439	-2,050,699	24.3%
Operating results	760,096	718,994	5.7%	1,479,251	1,065,028	38.9%
Income from dividends	39,000	36,000	8.3%	39,000	36,000	8.3%
Income from sale of securities	0	0	-	0	0	-
Depreciation of securities	0	0	-	0	0	-
Expenses from securities	-1,267	-309	>100.0%	-2,767	-809	>100.0%
Other interest and related income	3,609	4,866	-25.8%	5,278	13,513	-60.9%
Interests and similar expenses	-131,799	-80,413	63.9%	-223,946	-134,514	66.5%
Financial result	-90,457	-39,856	>100.0%	-182,435	-85,810	>100.0%
Result of normal business activity	669,639	679,138	-1.4%	1,296,816	979,218	32.4%
Taxes on income and profit	-161,947	-144,716	11.9%	-410,337	-264,778	55.0%
Group net profit for the period	507,692	534,422	-5.0%	886,479	714,440	24.1%
Result of non-controlling shareholders for the period	19,673	27,349	-28.1%	-170,498	16,912	-
Net earnings of the parent company's shareholders in the period concerned	488,019	507,073	-3.8%	1,056,977	697,528	51.5%
Gross result for first quarter of year (EBITDA)	972,644	881,220	10.4%	1,901,687	1,382,034	37.6%
Earnings per share undiluted	0.10	0.10	0.0%	0.21	0.14	50.0%

Statement of financial position as at the end of the period by June 30, 2015

Assets	30. June 2015 EUR	31. December 2014 EUR	Change
A. Long-term assets			
I. Intangible assets			
1. Development costs	150,215	157,442	-4.6%
2. Other intangible assets	419,881	488,597	-14.1%
3. Goodwill	75,750	75,750	0.0%
	645,846	721,789	-10.5%
II. Tangible assets			
1. Land and buildings	1,054,616	1,087,273	-3.0%
2. Plant and machinery	1,697,558	1,905,588	-10.9%
3. Other plants, operating and office equipment	329,164	344,048	-4.3%
4. Assets under construction	54,717	0	-
	3,136,055	3,336,909	-6.0%
III. Other assets	18,081	14,706	22.9%
IV. Other long-term receivables	163,992	269,193	-39.1%
V. Deferred taxes	288,278	584,714	-50.7%
	4,252,252	4,927,311	-13.7%
B. Current assets			
I. Inventories			
1. Raw, auxiliary and operating materials	1,941,601	2,103,356	-7.7%
2. Unfinished products	1,858,941	1,753,405	6.0%
3. Finished products and goods	2,981,298	3,174,442	-6.1%
	6,781,840	7,031,203	-3.5%
II. Receivables and other assets			
1. Trade accounts receivable	3,747,855	3,001,313	24.9%
2. Tax claims	161,956	195,886	-17.3%
3. Other assets	308,053	261,776	17.7%
	4,217,864	3,458,975	21.9%
III. Securities	5,274,965	4,203,050	25.5%
IV. Means of payment	8,188,894	8,868,854	-7.7%
	24,463,563	23,562,082	3.8%
	28,715,815	28,489,393	0.8%
Equity and Liabilities			
A. Equity			
I. Subscribed capital	4,949,999	4,949,999	0.0%
II. Capital reserves	11,035,367	11,035,367	0.0%
III. Other reserves	5,070,023	4,723,663	7.3%
Attributable to parent company shareholders	21,055,389	20,709,029	1.7%
Non-controlling shareholders	-482,255	-366,071	31.7%
	20,573,134	20,342,958	1.1%
B. Non-current liabilities			
1. Liabilities to banks	2,098,823	2,127,456	-1.3%
2. Accrued investment subsidies	529,963	585,706	-9.5%
3. Other long-term liabilities	793,977	703,079	12.9%
	3,422,763	3,416,241	0.2%
C. Current liabilities			
1. Amounts owed to credit institutions	1,482,927	2,108,732	-29.7%
2. Advances received	156,794	63,594	>100.0%
3. Trade accounts payable	1,630,125	998,254	63.3%
4. Tax liabilities	437,927	218,490	>100.0%
5. Other current liabilities	1,012,145	1,341,124	-24.5%
	4,719,918	4,730,194	-0.2%
	28,715,815	28,489,393	0.8%

Statement of cash flow for the period January 1, 2015 to June 30, 2015

	January – June 2015 kEUR	January – June 2014 kEUR
Group net profit for the period	886	714
Other non-cash expenses	40	-2
Dividend income	-39	-36
Interest income	-5	-14
Interest paid	224	135
Decrease in deferred taxes	296	208
Expenditure from income taxes	114	57
Depreciation of fixed assets	422	317
Income from the sale of securities	0	0
Losses from securities trading	0	0
Depreciation of securities	0	0
Amortization of allowances and subsidies	-56	-56
Loss on disposal of fixed assets	2	10
Gross cash flow	1,884	1,333
Decrease/increase in inventories	249	-1,279
Increase in trade receivables and other assets	-672	-728
Increase in current and other liabilities	530	98
Cash from dividends	39	36
Inflow from interest	5	14
Outflow from interest	-224	-135
Inflow of taxes	-10	107
Cash flow from operations	1,801	-554
Outflow for investment in fixed assets	-149	-330
Inflow from financial investments	0	15
Outflow for financial investments	-565	0
Cash flow from investments	-714	-315
Cash inflow from non-controlling shareholders	35	0
Distribution of profits to non-controlling shareholders	0	0
Dividend distribution	-1,238	-1,188
Proceeds from the repayment of loans	1,245	416
Outflows for the repayment of loans	-1,900	-641
Increase in fixed liabilities	91	0
Cash flow from financing activities	-1,767	-1,413
Change in cash and cash equivalents	-680	-2,282
Cash and cash equivalents at the start of the reporting period	8,869	11,112
Cash and cash equivalents at the end of the reporting period	8,189	8,830

Statement of changes in equity for the period by June 30, 2015

	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, 2014	4,949,999	10,711,677	1,477,897	11,865	3,553,287	20,704,725	-624,334	20,080,391
Dividend payment to shareholders	0	0	0	0	-1,188,000	-1,188,000	0	-1,188,000
Transaction with associates and shareholders	0	0	0	0	-1,188,000	-1,188,000	0	-1,188,000
Group period result	0	0	0	0	697,528	697,528	16,912	714,440
Unrealized profits and losses from valuation of securities	0	0	-468,236	0	0	-468,236	0	-468,236
Currency translation in group	0	0	0	-2,242	0	-2,242	-2,152	-4,394
Total consolidated income	0	0	-468,236	-2,242	697,528	227,050	14,760	241,810
As of June 30, 2014	4,949,999	10,711,677	1,009,661	9,623	3,062,815	19,743,775	-609,574	19,134,201
As of January 1, 2015	4,949,999	11,035,367	659,054	16,963	4,047,646	20,709,029	-366,071	20,342,958
Increase in share capital of subsidiary Geratherm Medical do Brasil Ltda.	0	0	0	0	0	0	84,703	84,703
Purchase of capital stock of the subsidiary apoplex medical technologies GmbH by shareholders of minority interests	0	0	0	0	0	0	-50,000	-50,000
Dividend payment to shareholders	0	0	0	0	-1,237,500	-1,237,500	0	-1,237,500
Transaction with associates and shareholders	0	0	0	0	-1,237,500	-1,237,500	34,703	-1,202,797
Group period result	0	0	0	0	1,056,977	1,056,977	-170,498	886,479
Unrealized profits and losses from valuation of securities	0	0	506,471	0	0	506,471	0	506,471
Currency translation in group	0	0	0	20,412	0	20,412	19,611	40,023
Total consolidated income	0	0	506,471	20,412	1,056,977	1,583,860	-150,887	1,432,973
As of June 30, 2015	4,949,999	11,035,367	1,165,525	37,375	3,867,123	21,055,389	-482,255	20,573,134

Consolidated Statement of Comprehensive Income (IFRS) for the period from January 1, 2015 to June 30, 2015

	01.01.-30.06.2015 EUR	01.01.-30.06.2014 EUR
Net earnings of the parent company's shareholders in the period concerned	886,479	714,440
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	506,471	-468,236
Difference resulting from currency translation	40,023	-4,394
Income and expenses directly included in equity capital	546,494	-472,630
Total consolidated income	1,432,973	241,810
Of which for non-controlling shareholders	-150,887	14,760
Of which for parent company shareholders	1,583,860	227,050

Segment Report for the period from January 1, 2015 to June 30, 2015

According to product segments	Healthcare Diagnostic Jan.- June kEUR	Respiratory Jan.- June kEUR	Med. Warming Systems Jan.- June kEUR	Cardio/ Stroke Jan.- June kEUR	Consolidation Jan.- June kEUR	Reconciliation Jan.- June kEUR	Total Jan.- June kEUR
2015							
Segment revenues	7,593	1,650	1,460	289	-338	0	10,654
Operating results	1,228	31	232	-14	117	-115	1,479
of which:							
Amortization of intangible assets and depreciation of tangible assets	271	32	19	6	-6	100	422
Segment assets	10,195	1,888	2,828	341	0	13,176	28,428
Segment liabilities	5,729	785	879	498	0	0	7,891

According to product segments	Healthcare Diagnostic Jan.- June kEUR	Respiratory Jan.- June kEUR	Med. Warming Systems Jan.- June kEUR	Cardio/ Stroke Jan.- June kEUR	Consolidation Jan.- June kEUR	Reconciliation Jan.- June kEUR	Total Jan.- June kEUR
2014							
Segment revenues	6,406	2,069	310	228	-139	0	8,874
Operating results	766	407	-65	-39	37	-41	1,065
of which:							
Amortization of intangible assets and depreciation of tangible assets	273	11	6	3	-5	29	317
Segment assets	10,929	2,465	1,018	169	0	12,159	26,740
Segment liabilities	6,723	811	321	627	0	0	8,482

According to regions	Europe Jan.-June kEUR	South America Jan.-June kEUR	Germany Jan.-June kEUR	Middle East Jan.-June kEUR	USA Jan.-June kEUR	Others Jan.-June kEUR	Total Jan.-June kEUR
2015							
Sales revenue	5,760	1,272	1,748	517	989	706	10,992
Elimination of intercompany Sales	0	-90	-248	0	0	0	-338
Sales revenue to third parties	5,760	1,182	1,500	517	989	706	10,654
Gross profit or loss	3,746	755	979	336	643	459	6,918
Operating results	991	-152	259	89	170	122	1,479
of which:							
Amortization/depreciation of intangible assets and tangible assets	253	7	66	23	43	31	423
Amortization of public grants and subsidies	34	0	9	4	5	4	56
Acquisition costs of fixed assets for the period	0	-5	81	0	0	0	76
Segment assets	0	2,315	26,113	0	0	0	28,428

According to regions	Europe Jan.-June kEUR	South America Jan.-June kEUR	Germany Jan.-June kEUR	Middle East Jan.-June kEUR	USA Jan.-June kEUR	Others Jan.-June kEUR	Total Jan.-June kEUR
2014							
Sales revenue	3,963	1,619	1,816	685	426	504	9,013
Elimination of intercompany Sales	0	-58	-81	0	0	0	-139
Sales revenue to third parties	3,963	1,561	1,735	685	426	504	8,874
Gross profit or loss	2,462	892	1,078	426	265	313	5,436
Operating results	492	158	215	85	53	62	1,065
of which:							
Amortization/depreciation of intangible assets and tangible assets	168	7	74	29	18	21	317
Amortization of public grants and subsidies	31	0	13	5	3	4	56
Acquisition costs of fixed assets for the period	0	14	316	0	0	0	330
Segment assets	0	2,798	23,942	0	0	0	26,740

Notes on Interim Consolidated Financial Statements for the Period from 1 January 2015 to 30 June 2015

Accounting and Valuation Methods

The interim consolidated financial statements of Geratherm Medical AG were prepared for the first six months of the 2015 business 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 2014 Business 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 at 30 June 2015:

Company	Share quota 30/6/2015	Share quota 31/12/2014
GME Rechte und Beteiligungen GmbH, Geschwenda, Germany	100.00%	100.00%
apoplex medical technologies GmbH, Pirmasens, Germany	58.42%	57.92%
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, Steinbach Hallenberg, Germany	100.00%	100.00%
LMT Medical Systems GmbH, Lübeck, Germany	66.67%	66.67%

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 amounted as of 30 June 2015 to EUR 4,949,999 (2014: EUR 4,949,999) and is divided into 4,949,999 share certificates issued to the bearers (2014: 4,949,999). 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 05, 2015 in Frankfurt to distribute a dividend of 0.25 EUR per individual share.

The dividend was distributed in the amount of EUR 1,237,499.75 on June 08, 2015.

These interim consolidated financial statements as at June 30, 2015 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, August 2015

A handwritten signature in blue ink, appearing to read 'Gert Frank', is positioned above the printed name and title.

Dr. Gert Frank
Chairman of the Board

COMPANY CALENDAR 2015

Analysts' Conferenz: DVFA-Small Cape Conference; Frankfurt	31. August
9-Month Report	19. November

COMPANY CALENDAR 2016

3-Month Report	24. Mai
6-Month Report	23. August
9-Month Report	22. November

Geratherm Medical AG

Fahrenheitstraße 1

98716 Geschwenda

Telefon: +49 36205 980

Fax: +49 36205/98 115

E-Mail: info@geratherm.com

Internet: www.geratherm.com