CURANUM

Good care has a home.

Q1

CURANUM AG, Munich

QUARTERLY REPORT FOR THE PERIOD FROM JANUARY 1 TO MARCH 31, 2008

THE GROUP AT A GLANCE (IFRS)

mil. €	Q1 / 2008	Q1 / 2007	yoy	2007
Sales	63.7	56.6	12.5%	230.1
Staff costs	31.5	27.9	12.9%	115.1
Rental costs	13.8	11.1	24.3%	45.1
EBITDA	7.9	8.1	-2.5%	30.7
in % of sales	12.4	14.3		13.3
Depreciation	2.3	2.1	9.5%	8.5
EBIT	5.5	6.0	-8.3%	22.1
in % of sales	8.6	10.6		9.6
Financial result	-2.5	-2.0	25.0%	-9.4
EBT	3.0	4.0	-25.0%	12.7
Net profit	2.2	2.4	-8.3%	4.8
EPS* (€)	0.07	0.08	-15.8%	0.15
Cash flow	4.1	3.5	17.1%	10.5
CPS** (€)	0.13	0.11	18.2%	0.16
Cash and cash equivalents	10.0	4.2	138.1%	25.6
Equity capital	64.7	41.4	56.3%	62.5
in % of balance sum	25.8	19.3		26.0
Balance sheet total	250.8	214.9	16.7%	239.7
Employees	5,982	5,198	15.1%	5,263
Facilities	67	62	8.1%	67
Care places	7,651	7,330	4.4%	7,651
Assisted living apartments	1,630	900	81.1%	1,630

* EPS = net profit: number of outstanding shares at that time

** CPS = cash flow from operating activities: number of outstanding shares

MACROECONOMIC TRENDS

The robust growth of the German economy in the first quarter of 2008 should not obscure the fact that the crisis in financial markets is far from over. There are likely to be negative repercussions for the overall economy, and the slowdown emanating from the US will have a consequent impact on demand in Germany.

Further rises in energy and foodstuff prices in the first quarter of 2008 suggest a pickup in inflation over the course of the rest of the year. An overall average inflation rate of 2.7% is anticipated in Germany in 2008 (previous year: 2.3%).

Moderate growth in private consumption is expected given the decline in the number of unemployed to below 3.3 million as of the end of the reporting period. However, a large proportion of income growth will be consumed by price inflation. Purchasing power gains should nevertheless suffice for a notable increase in private consumption.

TRENDS WITHIN THE SECTOR

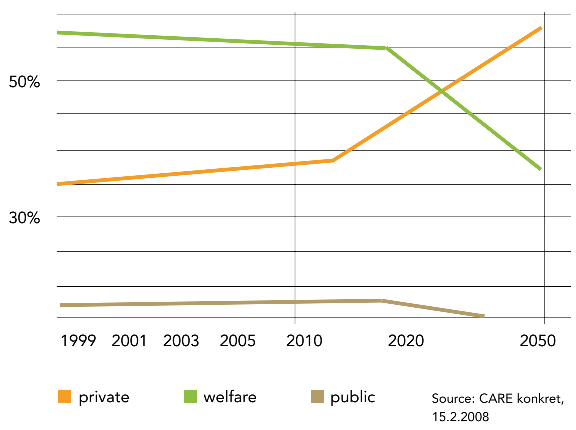
The care of elderly people will gain greater significance over the coming years due to demographic trends and changes in clinical syndromes, and demand for professional care will continue to grow. This is due not least to the growing trend towards single-person households in society, and the related rise in the number of childless senior citizens. This trend is exacerbated by dwindling social resources to finance care services, since care rates have failed to keep pace with inflation since the introduction of the German Care Insurance Act in 1995. The state reform of care within Germany, and the German Act concerning the Further Development of Care, have failed to bring about any significant improvements in this respect.

The share of financing to be contributed by those in need of care will continue to increase. While the 0.25% increase in the contribution rate to 1.95% from mid-2008 for persons with children, and to 2.20% for the childless employed, stabilizes social care insurance (SPV) for a certain period, the ageing of society will continue for several decades to come, thereby placing an enormous burden on social security systems.

The area of care home operator sponsorship is due to undergo far-reaching change, according to the HPS Health Report of January 2008. Private sponsors will consequently increasingly gain market share, and private non-profit enterprises will relinquish their position of market leadership.

Change of care rate 2007 to 2012	2007 in €	2008 in €	2010 in €	2012 in €
Stationary				
Care level I	1,023	unchanged	unchanged	unchanged
Care level II	1,279	unchanged	unchanged	unchanged
Care level III	1,432	1,470	1,510	1,550
Hardship cases	1,688	1,750	1,825	1,918

DEVELOPMENT: FACILITY PROVIDER



The growth-drivers of inpatient care include demography, socio-economic factors, and increasingly the relocation from acute to care status. This means that older people in future will spend less time as long-term patients in hospitals than has been in evidence to date.

Competition in the care market has intensified further in the first quarter of 2008. Additional capacities have arisen as a result of numerous new openings. There is insufficient demand for these facilities in some locations. This led to a further fall in average occupancy in some rural districts, which resulted in problems, particularly for small, private operators, but also for economically weak district associations of non-profit companies. The number of mortalities also continued to rise as a result of the trend towards later entries.

We are assuming this trend will strengthen further over the course of the year, resulting in significant turbulence in the care market.

REVENUE GROWTH AND EARNINGS

Revenue in the first quarter of 2008 rose from € 56.6 million to € 63.7 million, which represents an increase of 12.5%. We generated € 55.5 million, or 87.13%, of revenue, from fully inpatient care services and associated services, € 6.0 million, or 9.42%, of revenue from the rental of managed apartments, € 0.6 million, or 0.94%, of revenue from outpatient services, and € 1.6 million, or 2.51%, of revenue from other sources of income.

A key factor behind the rise in revenue was the consolidation of the ELISA Group, which we acquired as of January 1, 2008. We nevertheless failed to achieve our budgeted revenue due to the decline in occupancy from an average of 90% in 2007 to 88% during the reporting period. This reflected higher capacities in line with the overall market, accompanied by a lack of operators leaving the market, as well as a higher number of mortalities.

The staff costs climbed to € 31.5 million in the first quarter of 2008 (previous year: € 27.9 million), and the rental costs rose to € 13.8 million (previous year: € 11.1 million). Earnings before interest, tax, depreciation and amortization (EBITDA) fell slightly from € 8.1 million in the first quarter of 2007 to € 7.9 million in the first quarter of 2008. The EBITDA margin fell from 14.3% to 12.4% in the reporting period just past.

Depreciation rose from € 2.1 million to € 2.3 million, and EBIT earnings before interest and tax fell from € 6.0 million to € 5.5 million in the first quarter of 2008.

Net profit reduced from € 2.4 million to € 2.2 million in a quarter-on-quarter comparison. Earnings per share (EPS) correspondingly fell from € 0.08 to € 0.07 per share.

FINANCIAL POSITION

Cash flow from operating activities rose from € 3.5 million to € 4.1 million when comparing the first quarter of 2007 with the first quarter of 2008. This reflected higher depreciation and interest expenses, as well as a somewhat lower level of change in working capital.

Cash flow from investment activities amounted to -€ 16.7 million in the first quarter of 2008 (previous year: -€ 2.3 million). This chiefly reflected the outgoing payment for the acquisition of the ELISA Group (€ 15.4 million), as well as investments in buildings and equipment (€ 1.2 million).

Cash flow from financing activities totaled -€ 3.1 million in the first quarter of 2008 (previous year: -€ 6.1 million). This was due to the redemption of loans (€ 1.2 million), and the outgoing payment for lease liabilities totaling € 1.9 million.

NET ASSETS

Balance sheet total rose by € 11.0 million to € 251 million as of the March 31, 2008 reporting date, compared with December 31, 2007 (€ 240 million). The main changes in terms of current assets occurred with respect to trade accounts receivable, which rose from € 6.4 million to € 7.5 million, as well as the rise in other current assets from € 7.0 million to € 8.9 million in the first quarter of 2008.

The rise in non-current assets mainly reflected an increase in property, plant and equipment from € 117.6 million as of December 31, 2007 to € 124.5 million in the first quarter of 2008. This increase results from the recognition of a property in Herne arising from the acquisition of ELISA. Due to the capitalization of the customer base of the ELISA Group, intangible assets rose from € 1.7 million to € 3.6 million, and goodwill increased by € 14.8 million, from € 54.1 million as of December 31, 2007 to € 68.9 million in the first quarter of 2008.

The acquisition of the ELISA Group also resulted in a reduction of cash and cash equivalents to € 10.0 million as of the reporting date, compared with € 25.6 million as of December 31, 2007.

In terms of shareholders' equity and liabilities, total current liabilities rose from € 32.2 million as of December 31, 2007 to € 37.1 million in the first quarter of 2008. This was mainly due to the increase in the current portion of non-current liabilities, the rise in imputed provisions, as well as loans from occupants in the ELISA Group. Non-current financial debt was up from € 84.2 million to € 87.5 million as of the reporting date due to the raising of real estate loans for the ELISA property in Herne.

The rise in equity from € 62.5 million as of December 31, 2007 to € 64.7 million in the first quarter of 2008 reflects the net income in the first three months of the 2008 financial year.

INVESTMENTS

We invested a total of € 1.2 million in our facilities in the reporting period just passed. Of this amount, a total of T€ 756 alone reflected capitalized restructuring measures for the facility in Bad Schwartau. We booked maintenance and repair costs of T€ 374 in the first quarter 2008.

EMPLOYEES

The number of staff members in the Group rose from 5,198 in the first quarter of 2007 to 5,982 in the first quarter of 2008. This increase mainly results from the takeover of six care homes for the elderly from the Munich-based Doblinger Group, and from our new opening in Bad Lauterberg, and represents an increase of 15.8%.

Compared with the reporting date of the 2007 annual financial statements, the number of staff members rose by 11.85% in the first quarter. This corresponds to 634 employees.

CHANGES IN THE SUPERVISORY BOARD

The supervisory board elected Dr. Uwe Ganzer as Chairman of the Supervisory Board of CURANUM AG. Dr. Uwe Ganzer is the sole member of the Executive Board of Varta AG, Hanover, and has been a regular member of the Supervisory Board of CURANUM AG since March 6, 2007. Dr. Dieter Thomae will continue to be available to the Supervisory Board as Deputy Chairman.

The Supervisory Board of CURANUM AG:

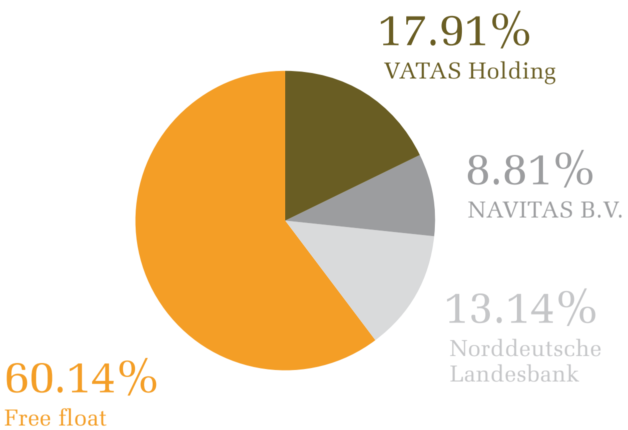
- Dr. Uwe Ganzer
  Sole management board member of Varta AG, Hanover
  (Chairman of the Supervisory Board)
- Dr. Dieter Thomae
  Graduate of Business Studies, Sinzig
  (Deputy Chairman of the Supervisory Board)
- Angelika Pohl
  Commercial Clerk, Walchwil (Switzerland)
- Sabine Klöckner
  Commercial Clerk, Schwelm
- Bernd Scheweling
  Graduate of Business Economics,
  Walchwil (Switzerland)
- Michael Sasse
  Lawyer and Notary, Schwelm

THE CURANUM SHARE

CURANUM AG opened its financial year as of January 2, 2008 at a price of € 9.30 (previous year: € 6.90), and closed the first quarter as of March 31, 2008 at a price of € 4.94 (previous year: € 7.20). This represents a fall of 51.72%. This decline reflected, firstly, the general negative trend in the equity market, particularly with respect to small caps, as well as some uncertainty relating to a share position held by a German Landesbank equivalent to 13.1% of the equity, which was not accepted by a customer.

The following shareholder structure is based on voting rights pursuant to §21 Paragraph 1 of the German Securities Trading Act (WpHG) reported as of March 31, 2008, and does not necessarily reflect the actual shareholder structure.

SHAREHOLDER STRUCTURE AS OF MARCH 31, 2008



9.78% Julius Bär Holding AG
9.19% Audley European Opportunities Master Fund Limited
7.98% Lehman Brothers International
5.43% UBS AG
5.01% Guy P. Wyser-Pratte
4.41% Credit Suisse Group
2.77% Fortis Investment Management S.A.

COVERAGE AND RESEARCH AS OF MARCH 31, 2008

CURANUM was followed by the research houses listed below in the first quarter.

Date	Research house	Option
06.03.2008	HSBC	„neutral“
13.03.2008	Goldman Sachs Group	„buy“
14.03.2008	DZ Bank	„hold“
20.03.2008	WestLB	„buy“
20.03.2008	UniCredit	„sell“
25.03.2008	WestLB	„buy“
25.03.2008	Berenberg Bank	„buy“

HSBC and Goldman Sachs Group initiated coverage in the first quarter.

OUTLOOK AND PLANNING

For the current 2008 business year, we are retaining our strategy of acquiring seven to eight facilities, corresponding to 800 to 1,000 beds, as well as establishment of one to three new facilities. An important requirement in this respect is the opportunity to integrate these facilities into existing clusters, or to use them to generate new clusters. Extending the horizontal and vertical value-creation chain that surrounds our occupants will be an approach that accompanies our consistent growth path.

Through the creation of the TQM level last year, and the resultant significant improvement in operating management, we have already achieved successes in terms of improved quality, and we are assuming this progress will continue. This has unfortunately not yet been reflected in occupancy, but we are convinced that quality will prove its value in the long term. We have strengthened our marketing and sales measures, and we have provided further training for the marketing functions for our network and our suppliers of occupants. This is why we are confident that we will further improve our occupancy position over the course of the year, and attain our planned annual budget figures.

In terms of figures, this represents revenue of € 260 million to € 265 million excluding acquisitions, EBITDA of € 32 million to € 34 million, and net profit of between € 10.5 million and € 12.0 million for the 2008 financial year.

Munich, May 2008

The Management Board

CONSOLIDATED INCOME STATEMENT

IN THE PERIOD FROM JANUARY 1 TO MARCH 31, 2008 (IFRS)

	Q1/2008 1.1.-31.3. T€	Q1/2007 1.1.-31.3. T€
REVENUES	**63,766**	**56,605**
Cost of sales	54,210	46,783
GROSS PROFIT / LOSS	**9,556**	**9,822**
Selling and marketing expenses	208	356
General and administration expenses	4,475	4,276
Other operating expenses	1,399	427
Other operating income	2,041	1,238
OPERATING INCOME / LOSS	**5,515**	**6,001**
Interest and other expenses	2,886	2,242
Interest and other income	412	214
EARNINGS BEFORE TAX	**3,041**	**3,973**
Income tax	655	1,534
Deferred tax expense	233	0
EARNINGS AFTER TAXES	**2,153**	**2,439**
Profit or loss attributable to minority interest	-12	0
thereof shareholder earnings	2,165	2,439
Net income per share (basic)	0.07	0.08
Net income per share (diluted)	0.07	0.08
Number of underlying outstanding shares	**32,660,000**	**29,700,000**

CURANUM AG, MUNICH

CONSOLIDATED BALANCE SHEET AS OF MARCH 31, 2008 (IFRS)

ASSETS	31.3.2008 T€	31.12.2007 T€
Current assets		
Cash and cash equivalents	9,970	25,646
Trade accounts receivable	7,516	6,411
Inventories	1,002	862
Current assets	8,858	7,021
Tax receivables	2,413	2,022
Security investment	375	380
Assets held for sale	5,516	5,516
TOTAL CURRENT ASSETS	**35,650**	**47,858**
Non-current assets		
Property, plant and equipment	124,505	117,586
Intangible assets	3,608	1,702
Goodwill	68,902	54,067
Shareholdings	1	1
Deferred tax assets	7,890	7,969
Other financial assets	10,212	10,473
TOTAL NON-CURRENT ASSETS	**215,118**	**191,798**
TOTAL ASSETS	**250,768**	**239,656**

SHAREHOLDERS' EQUITY AND LIABILITIES

	31.3.2008 T€	31.12.2007 T€
Current liabilities		
Finance lease debt	3,701	4,009
Short-term debt	4,297	3,834
Trade accounts payable	3,919	3,194
Provisions	3,663	2,567
Income tax payable	654	1,478
Other current liabilities	20,304	17,083
TOTAL CURRENT LIABILITIES	**36,538**	**32,165**
Non-current liabilities		
Financial lease obligations	54,840	54,121
Long-term debt	87,486	84,246
Deferred tax liabilities	6,801	6,068
Provisions	449	575
TOTAL NON-CURRENT LIABILITIES	**149,576**	**145,010**
Shareholders' equity		
Share capital	32,660	32,660
Additional paid-in capital	32,303	32,303
Revenue reserve	-4,048	-8,970
Consolidated profit	2,166	4,917
Other shareholders' equity	1,573	1,571
Before minorities	**64,654**	**62,481**
TOTAL SHAREHOLDERS' EQUITY	**64,654**	**62,481**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**250,768**	**239,656**

CURANUM AG, MUNICH

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS´ EQUITY IN THE PERIOD FROM JANUARY 1 TO MARCH 31, 2008 (IFRS)

Balance date	Share capital T€	Additional paid-in capital T€	Retained earnings Accumulated profit/loss T€	Retained earnings Other retained earnings T€
AS OF DEC 31, 2005	29,700	11,763	-17,977	0
Tax audit adjustment according IAS 8.42	--	--	-574	--
Adjusted opening figures 01.01.2006	29,700	11,763	-18,551	0
Dividend payment	--	--	--	--
Balance carried forward	--	--	3,629	--
Others	--	--	-35	--
Negative minority interests	--	--	45	--
Changes in consolidated entity	--	-6	--	--
Earnings after tax	--	--	--	--
Reclassification convertible bond	--	1,051	--	--
AS OF DEC 31, 2006	29,700	12,808	-14,912	0
Dividend payment	--	--	--	--
Balance carried forward	--	--	6,080	--
Capital increase after issuing costs and taxes	2,960	19,495	--	--
Financial instruments according IAS 39	--	--	--	--
Earnings after taxes	--	--	--	--
Minority Interest	--	--	--	-26
Changes in revaluation reserve	--	--	72	--
Changes in the consolidated entity	--	--	-184	--
AS OF DEC 31, 2007	32,660	32,303	-8,944	-26
Balance carried forward	--	--	4,917	--
Financial instruments according IAS 39	--	--	--	--
Earnings after taxes	--	--	--	--
Minority Interest	--	--	--	-12
Changes in revaluation reserve	--	--	17	--
Changes in the consolidated entity	--	--	--	--
AS OF MARCH 31, 2008	32,660	32,303	-4,010	-38

Consolidated profits T€	Other shareholders' equity Revaluation reserve T€	Other reserve T€	Shareholders' equity before minority interest T€	Equity convertible bond T€	Minority interest T€	Total shareholders' equity T€
6,599	0	0	30,085	1,051	0	31,136
--	--	--	-574	--	--	-574
6,599	0	0	29,511	1,051	0	30,562
-2,970	--	--	--	--	--	-2,970
-3,629	--	--	--	--	--	0
--	--	--	--	--	--	-35
--	--	--	--	--	--	45
--	1,617	--	--	--	34	1,645
9,346	--	--	--	--	--	9,346
--	--	--	--	-1,051	0	0
9,346	1,617	0	38,559	0	34	38,593
-3,266	--	--	-3,266	--	--	-3,266
-6,080	--	--	0	--	--	0
--	--	--	22,455	--	--	22,455
--	--	8	8	--	--	8
4,857	--	--	4,857	--	--	4,857
60	--	--	34	--	-34	0
--	-55	--	17	--	--	17
--	--	--	-184	--	--	-184
4,917	1,562	8	62,480	0	0	62,480
-4,917	--	--	0	--	--	0
--	--	16	16	--	--	16
2,154	--	--	2,154	--	--	2,154
12	--	--	0	--	--	0
--	-13	--	4	--	--	4
--	--	--	0	--	--	0
2,166	1,549	24	64,654	0	0	64,654

CURANUM AG, MUNICH

CONSOLIDATED CASHFLOW STATEMENT

IN THE PERIOD FROM JANUARY 1 TO MARCH 31, 2008 (IFRS)

	1.1. - 31.3.2008 T€	1.1. - 31.3.2007 T€
I. OPERATING ACTIVITIES		
Result before income tax and minority interest	3,041	3,973
Depreciation	2,347	2,067
Other interest and similar income	-412	-215
Interest and similar expenses	2,886	2,242
Other expenses and income not affecting payments	49	-187
Increase/decrease in provisions and accurals	880	896
Change in net working capital	-1,514	-1,944
Tax paid	-2,443	-2,072
Tax received	425	0
Interest paid	-1,284	-1,275
Interest received	86	61
Cash flow from operating activities	**4,061**	**3,546**
II. INVESTING ACTIVITIES		
Cash outflow for acquisition (less acquired cash reserves)	-15,405	0
Cash outflow for property, plant and equipment and intagible assets	-1,249	-2,259
Cash flow from investing activities	**-16,654**	**-2,259**
III. FINANCING ACTIVITIES		
Cash inflows from borrowing/cash repayments		
of amounts borrowed	-1,153	-3,922
Cash outflows for outstanding finance-lease liabilities	-1,930	-2,209
Cash flow from financing activities	**-3,083**	**-6,131**
Change in cash and cash equivalents	**-15,676**	**-4,844**
Cash and cash equivalents at the beginning of period	25,646	9,106
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**9,970**	**4,262**

NOTES TO THE INTERIM FINANCIAL REPORT AS OF MARCH 31, 2008 ACCORDING TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

1. GENERAL INFORMATION CONCERNING THE COMPANY

CURANUM AG (referred to as „CURANUM“ or the „Company“) Maximilianstrasse 35c, was created in November 2000 from the merger of Bonifatius Hospital & Seniorenresidenz AG, which was in turn founded in 1994 and which has been quoted on the stock exchange since 1998, and CURANUM AG, Munich, which was founded in 1981. The business objective of CURANUM AG is the establishment and operation of senior citizen and residential care facilities.

2. ACCOUNTING PRINCIPLES

With the exception of the areas presented below, no changes have occurred with respect to accounting principles compared with reporting as of December 31, 2007. Please refer to the related notes in the consolidated financial statements as of December 31, 2007.

BASIS OF PREPARATION

These unaudited quarterly financial statements have been prepared according to International Financial Reporting Standards (IFRS). As of the time of transfer to IFRS on January 1, 2004, CURANUM AG prepared a set of opening accounts that provide the point of departure for IFRS accounting.

The income statement has been prepared according to the cost of sales accounting format.

The quarterly financial statements have been prepared in harmony with IAS 34, and do not necessarily contain all information presented in the consolidated financial statements. Reference should be made to the consolidated financial statements as of December 31, 2007 prepared according to IFRS.

The quarterly financial statements have been prepared in euros. All values have been rounded to the nearest thousand euros (T€) unless otherwise stated.

DECLARATION OF AGREEMENT WITH IFRS

The interim financial statements of CURANUM AG and its subsidiaries were prepared in accordance with International Financial Reporting Standards (IFRS) as approved by the EU.

SCOPE OF CONSOLIDATION

The following German companies were fully consolidated as of March 31, 2008 (in alphabetical order):

Name	Domicile	Stake [1)] %
accurato GmbH [2)]	Munich	100.00
Altenheimbetriebsgesellschaft Nord GmbH [2)]	Munich	100.00
Altenheimbetriebsgesellschaft Ost GmbH [2)]	Munich	100.00
Altenheimbetriebsgesellschaft Süd GmbH [2)]	Munich	100.00
Altenheimbetriebsgesellschaft West GmbH [2)]	Munich	100.00
Alten-und Pflegeheim Sieglar GmbH [2)]	Munich	100.00
Bad Schwartauer AVG Altenheim-Vermietung GmbH & Co. KG	Munich	100.00
Bonifatius GPG Gesellschaft für Pflege und Gesundheit mbH i.L.	Munich	55.00
CURANUM AG (parent company)	Munich	--
CURANUM Bad Hersfeld GmbH [2)]	Munich	100.00
CURANUM Baubetreuung und Immobilienmanagement GmbH	Munich	100.00
CURANUM Bessenbach GmbH [2)]	Munich	100.00
CURANUM Betriebs GmbH [2)]	Munich	100.00
CURANUM Franziskushaus GmbH [2)]	Gelsenkirchen	100.00
CURANUM Holding GmbH [2)]	Munich	100.00
CURANUM Verwaltungs- und Beteiligungs GmbH & Co. KG [2)]	Munich	100.00
CURANUM Westfalen GmbH [2)]	Munich	100.00
ELISA Seniorenstift GmbH	Munich	100.00
ELISA Seniorenstift Aschaffenburg GmbH	Aschaffenburg	100.00
FAZIT Betriebsgesellschaft für soziale Dienstleistungen mbH [2)]	Nuremberg	100.00
GAP Media Service GmbH [2)]	Munich	100.00
Krankenheim Ruhesitz am Wannsee GmbH [2)]	Berlin	100.00
Opticura Service GmbH [2)]	Munich	100.00
Residenz Lobberich GmbH	Nettetal-Lobberich	100.00
RIAG Seniorenzentrum "Ennepetal" GmbH & Co. KG	Munich	100.00
RIAG Seniorenzentrum "Erste" GmbH & Co. KG	Munich	100.00
RIAG Seniorenzentrum "Zweite" GmbH & Co. KG	Munich	100.00
Rosea GmbH & Co. Objekt Liesborn KG	Düsseldorf	94.00
Seniorenzentrum Hennef GmbH [2]	Munich	100.00
Servicegesellschaft West GmbH	Munich	100.00
VGB Beteiligungs- und Verwaltungs GmbH	Munich	94.00
Wäscherei Ellerich GmbH [2)]	Kaisersesch	100.00

Name	Domicile	Stake [1] %
The following foreign companies were fully consolidated as of March 31, 2008:		
CB Seniorenresidenz Armbrustergasse GmbH	Vienna/Austria	94.00
CB Management-Service GmbH	Kitzbühel/Austria	94.00
The following companies were not consolidated as of March 31, 2008		
due to lack of materiality:		
AT Management GmbH & Co. Bauträger MUC I KG	Munich	18.40
Bonifatius AT GmbH, Vienna	Vienna/Austria	10.00

1) Unless otherwise stated, the equity participation corresponds to the level of voting rights
2) These companies utilize the release from the obligation to prepare, audit, and publish annual financial statements and management reports in accordance with the provisions applying for stock corporations

PURCHASE OF THE SHARES OF ELISA SENIORENSTIFT GMBH, MUNICH, AND OF THE SHARES OF ELISA SENIORENSTIFT ASCHAFFENBURG GMBH, ASCHAFFENBURG

With a purchase agreement of November 21, 2007, CURANUM Holding GmbH, Munich, acquired 100% of the shares and voting rights of ELISA Seniorenstift GmbH, Munich (ELISA GmbH), and 51% of the shares and voting rights of ELISA Seniorenstift Aschaffenburg GmbH, Aschaffenburg (ELISA Aschaffenburg GmbH) as of January 1, 2008. ELISA GmbH holds the remaining 49% of shares in ELISA Aschaffenburg GmbH. The purchase price amounted to T€ 20,510, of which T€ 20,000 was attributable to ELISA GmbH, and T€ 510 was attributable to ELISA Aschaffenburg GmbH. Ancillary costs of T€ 1,121 associated with the acquisition were incurred in addition to the contractual purchase price.

ELISA GmbH operates four senior and care facilities in North Rhine Westphalia, and one facility in Baden-Württemberg, with a total of 320 care places and 697 managed apartments as of January 1, 2008. ELISA Aschaffenburg GmbH operates one care facility in North Bavaria with 115 care places and 58 managed apartments as of January 1, 2008. The purchase of ELISA GmbH and ELISA Aschaffenburg GmbH allows the CURANUM Group to strengthen its presence in the abovementioned regions, and expects them to generate a positive contribution to consolidated profit.

In accordance with IFRS 3.69, accounting for the merger resulting from the acquisition of the ELISA GmbH/ELISA Aschaffenburg GmbH will be of a purely provisional nature in the interim report of March 31, 2008, since the company assumes that further information will become known concerning the fair values and recognition of liabilities with respect to the purchase price allocation.

The following asset and liability items have been recognized as part of the acquisition of the ELISA Group:

	Fair values T€	Book values T€
ASSETS		
Intangible assets	2,057	74
Property, plant, and equipment	8,916	8,916
Customer receivables	992	992
Cash and cash equivalents	5,182	5,182
Other assets	1,311	1,311
Deferred tax	4	4
LIABILITIES		
Miscellaneous liabilities and provisions including tax provisions	4,892	4,892
Finance debt	4,788	4,788
IFRS lease liabilities	1,337	1,337
Deferred tax	81	81
	7,364	**5,381**
Deferred tax on hidden reserves	-507	
Goodwill	14,774	
PURCHASE PRICE	**21,631**	

Other assets mainly contain short-term bank deposits (T€ 5,182), trade accounts receivables (T€ 992), and other current receivables (T€ 1,136).

Non-current assets comprise property, plant and equipment with a book value of T€ 8,916, which equates to their fair value. This item includes one care property (T€ 7,098), and office and operating equipment (T€ 1,818). When capitalizing financing lease agreements for the equipping of the facilities, the useful lives were selected in such a way that the calculated book value as of the time the first-time consolidation corresponds to the market value that the company would report for the items of equipment.

Intangible assets of T€ 2,057 were also reported, which contain customer bases valued at a total of T€ 1,983, and acquired as part of the corporate merger. Non-current assets also contain deferred tax of T€ 4 resulting from the capitalization of finance leases. Goodwill from first-time consolidation of T€ 14,774 it is reported in the consolidated financial statements.

Miscellaneous liabilities mainly contain liabilities to suppliers (T€ 764), as well as liabilities arising from salary and wage accounts (T€ 662), liabilities to the tax authorities and tax provisions (T€ 133), and provisions for outstanding invoices and other obligations to occupants and third parties (T€ 2,981).

Finance debt contains bank borrowings and non-interest-bearing subsidy loans.

Non-current liabilities also include capitalized lease liabilities relating to equipment in facilities amounting to T€ 1,337.

With respect to the recognition of contingent liabilities, the following areas have been audited as part of the acquisition.

1) CURRENT EXTERNAL AUDIT

The company expects no further retrospective payments from the current external audit. For this reason, no provisions had been formed for this purpose. The seller is liable for retrospective payments exceeding the minimum amount of T€ 50.

2) LITIGATION

Risks arising from litigation/ongoing legal cases existed to only a limited extent at the time of purchase. Provisions of an appropriate scope have been created for these risks.

Besides the purchase price of T€ 20,510, the costs of acquiring the shareholding of T€ 21,631 also include ancillary acquisition costs of T€ 1,121, which contain a success fee for consultants as well as notary costs. The purchase price was fully satisfied using cash.

Goodwill from first-time consolidation arises from the purchase price allocation, taking into account the cost of acquiring the shareholding, and recognition of the intangible asset „inventory".

The inventory is formed by the earnings contribution expected from the occupancy of the facilities at the time of acquisition. The basis for this valuation is the number of persons cared for, taking into account their expected duration of stay in the facilities and managed apartments.

The company expects the merger to make a positive contribution to the future consolidated results of the CURANUM Group, due to the increase of care places/managed apartments in the Group, the densification of the network of facilities belonging to the CURANUM Group, and the consequent realization of synergy effects. These expectations regarding the future contributions to earnings are reflected in the goodwill reported in the balance sheet.

The ELISA Group generated net income of T€ 329 in the period between January and March 2008, which is contained in the consolidated earnings as of March 31, 2008.

EARNINGS PER SHARE

Please refer to the note to the interim statement in these quarterly financial statements with respect to earnings per share.

RELATED PARTIES

Please refer to the notes to the consolidated financial statements as of December 31, 2007 with respect to related parties disclosures.

No significant changes have occurred compared with the consolidated financial statements as of December 31, 2007.

3. SEGMENTAL REPORTING

CURANUM supplies all services for an identical group of customers. The risk and opportunity profiles of the services are not significantly different, and they are interdependent. The internal reporting structure of the company equally makes no segmental differentiation. Segmental reporting is not performed because the company can be divided into neither different business segments nor different geographical segments.

4. CONTINGENT LIABILITIES AND CLAIMS

Contingent liabilities are not recognized in the quarterly financial statements. They are disclosed in the notes to the consolidated financial statements except where a possibility of an outflow of resources embodying economic benefits is highly unlikely.

Contingent claims are not recognized in the quarterly financial statements. They are entered in the notes to the consolidated financial statements, however, when the inflow of economic benefits is likely.

5. EVENTS FOLLOWING THE REPORTING DATE

There were no events of significance following the reporting date.

The Management Board of the company released these quarterly financial statements for publication on May 14, 2008.

CONTACT

If you should have further questions concerning our company or if you like to sign up for the company mailing list please contact:

CURANUM AG
Corporate Communications
Maximilianstraße 35c
80539 Munich
Germany

Phone: +49-(0)89-24 20 65-0
Fax: +49-(0)89-24 20 65-10

E-mail: info@curanum.de

More information about our company and our facilities: www.curanum.de

CURANUM AG
Maximilianstrasse 35c
80539 Munich
Germany

Phone: +49 (0)89/24 20 65-0
Fax: +49 (0)89/24 20 65-10

E-mail: info@curanum.de
Website: www.curanum.de

CURANUM
Good care has a home.