CURANUM

Good care has a home.

CURANUM AG, Munich

QUARTERLY REPORT FOR THE PERIOD FROM JANUARY 1 TO JUNE 30, 2007

THE GROUP AT A GLANCE (IFRS)

mil. €	1.4. - 30.6. Q2 - 2007	1.4. - 30.6. Q2 - 2006	1.1. - 30.6. H1 - 2007	1.1. - 30.6. H1 - 2006	1.1. - 31.3. Q1 - 2007	1.1. - 31.3. Q1 - 2006
Sales	56.9	52.8	113.5	103.7	56.6	50.9
Personnel costs	28.9	26.3	56.8	52.1	27.9	25.8
Rental expenses	11.1	10.4	22.2	20.6	11.1	10.2
EBITDA	6.4	6.5	14.5	14.0	8.1	7.4
in % of Sales	11.2	12.3	12.8	13.5	14.3	14.5
Depreciation	2.1	1.6	4.2	3.2	2.1	1.6
EBIT	4.3	4.9	10.3	10.7	6.0	5.8
in % of Sales	7.6	9.3	9.1	10.3	10.6	11.4
Financial result	-3.0	-1.8	-5.0	-3.5	-2.0	-1.7
EBT	1.3	3.1	5.3	7.2	4.0	4.1
Net profit	0.8	2.0	3.2	4.6	2.4	2.6
EPS (€)	0.02	0.07	0.10	0.16	0.08	0.09
Cashflow	-2.8	2.0	0.7	6.2	3.5	4.2
CPS (€)	-0.09	0.09	0.02	0.21	0.12	0.14
Cash and cash equivalents	3.5	1.9	3.5	1.9	4.2	7.2
Shareholders' equity	61.9	38.7	61.9	38.7	41.4	39.7
in % of balance sheet total	27.4	23.0	27.4	23.0	19.3	22.9
Balance sheet total	226.1	168.6	226.1	168.6	214.9	173.5
Employees	5,211	4,677	5,205	4,717	5,198	4,756
Facilities	62	52	62	52	61	52
Care places	7,304	6,520	7,304	6,520	7,183	6,520
Assisted living apartments	875	693	875	693	857	693

PRIVATE CONSUMPTION GROWTH RESUMES

The upturn in the European Union and Japan continued unabated in the second quarter of 2007, while the USA found itself in a phase of weakness. However, the rise in capital market interest rates, the rise of the exchange rate of the euro, and the renewed increase in the price of oil at the end of the first half of the year dampened the favorable economic prospects.

Gross domestic product growth continued in the second quarter at a rate of 0.7%. After stagnation in private consumption in the first quarter due to the restrictive fiscal policy and accelerated purchasing effects, consumer sentiment recovered in the second quarter, allowing the growth rate to climb to 0.8%. Given the economic upturn, the situation in the labor market also improved. For example, the unemployment rate at 9.2% was 1.8 percentage points below its level a year ago.

COALITION COMMITTEE DECIDES TO REFORM CARE INSURANCE

On June 19, 2007, the Coalition Committee decided on the main points relating to the reform of social care insurance. The aim is to implement the planned modifications prospectively from July 1, 2008. Among other things, they are aimed at taking better account of the help and care requirements of people suffering from dementia, supporting the rehabilitation and prevention efforts made on the part of those requiring care, as well as to orienteering services to people's more individual requirements.

The objective is to raise both fixed amounts for outpatient care and benefits for at-home care rendered by relatives on a gradual basis up to 2012. Whether the increase, which, depending on care level, is intended to amount to between € 66 and € 179 monthly for outpatient care, and between € 30 and € 35 monthly for care benefit, could even begin to do justice to the higher costs, must be a matter of doubt. It should be noted that the existing amounts have not been raised for twelve years, whereas costs have seen major increases.

Consequently, the increase in rates for outpatient care and care benefits will have hardly any effects on the decision whether care is performed at home by relatives or within an institution. Experience shows that the decisive factors are the intensity of the care required and the related care expense, as well as the possibility and willingness on the part of relatives to perform care at home.

Inpatient care benefits in kind for those in significant need of care (Care Level I) and those in extreme need of care (Care Level II) are for the time being unaffected, and will be neither adjusted nor reduced. Care Level III for those in most need of care is being raised from € 1,430 to € 1,550, and hardship cases would receive € 1,918 by 2012, instead of currently € 1,688 per month.

CHANGES IN THE INPATIENT AREA

It is intended that the downwards classification of a person in need of care to the lower care level on the basis of particularly good treatment will in future be remunerated with a one-off amount of € 1,536. This is welcome, given the system flaw that punishes downwards categorization on the basis of good care with lower remuneration.

The aim is also that the additional amount for people suffering from dementia should be raised to an annual € 2,400, including for insured persons not categorized in Care Level 1. In addition, people who do not have significant care requirements, but nevertheless need looking after to an advanced extent, will receive the amount. This means the definition of "being in need of care" has now been extended to include physical ageing illnesses such as dementia, which reflects the significant care expense that has so far been incurred but not reimbursed. Most dementia illness has so far not been categorized until physiological deficits have arisen.

All higher care insurance payments are paid directly to the insured person in need of care, and are not directly connected with the prices being negotiated that care institutions are entitled to invoice. For this reason, the positive effects for the operators are expected to take effect on only a delayed basis through higher demand for professional care, particularly for those suffering from dementia.

The long-awaited dynamization of payments in line with the rate of inflation has been put back to the year 2015. In other words, the share of recipients of social security will rise further, and consequently also the transfer of refinancing from care insurance to local authorities.

In order to finance the anticipated additional expenditures, the contribution rate will be raised by 0.25% to 1.95% for people with children, and to 2.20% for the childless employed, from July 1, 2008.

The catalogue of reforms also contains further modification proposals for the introduction of the care period of six months for employees in companies employing more than ten people, the expansion of quality assurance through publication of the examination reports of the Medical Service of the Health Funds (MDK) in "understandable language" for the citizen, as well as the comprehensive introduction of flexible staffing ratios. It remains to be seen to what extent such ideas on the topic of in-house doctors and the cooperation between home institutions and doctors can be realized.

REVENUE LARGELY WITHIN BUDGET

Revenue in the second quarter climbed from € 52.8 million to € 56.9 million, which corresponds to an increase of 7.9%. We are largely within budget with respect to revenue despite the negative impact of three

CHANGES IN THE INPATIENT AREA

Care Level	¤€ currently	2008	2010	2012
Care Level 1	1,032	unchanged	unchanged	unchanged
Care Level 2	1,279	unchanged	unchanged	unchanged
Care Level 3	1,432	1,470	1,510	1,550
Hardship cases	1,688	1,750	1,825	1,918

effects. Only a few facilities were able to implement rises in care rates due to the restrictive positions adopted in care rate negotiations by care funds and providers of social security benefits. Organic growth was consequently limited. The average care level also fell slightly as the result of a reticent classification practice, which had a direct impact on revenues from care services. The third effect concerns our new facility in Bad Lauterberg, which has been in operation since April 1 and whose occupancy has underperformed our expectations.

First-quarter revenue is distributed among inpatient care including services with 92.6% (€ 52.7 million), the rental of managed apartments and outpatient care 5.1% (€ 2.9 million), and other income 2.3% (€ 1.3 million). Total output including other operating income amounted to € 57.8 million in the second quarter (previous year: € 53.3 million).

Revenue in the first half-year of 2007 rose from € 103.7 million by 9.5% to reach € 113.5 million. Revenue rose only slightly from € 56.6 million in the first quarter to € 56.9 million in the second quarter, and the utilization rate was unchanged.

EARNINGS FIGURES SIGNIFICANTLY BELOW BUDGET IN THE SECOND QUARTER

The personnel expense, which is traditionally higher in the second quarter than in the first quarter as a result of the payment of premiums and fees as well as seasonally-affected overtime, rose disproportionately in the second quarter of 2007 from € 26.3 million in the previous year to € 29.0 million in the reporting period. The personnel expense rose by around € 1 million compared with the first quarter of 2007. Seasonal effects were added to by a start-up in Bad Lauterberg, overstaffing in the facility in Vienna, and the rising utilization of the laundry, which was employing its own personnel to replace services that had previously been outsourced.

Rental expense developed in line with budget, from € 10.4 million in the previous year to € 11.1 million in the second quarter 2007, and was consequently unchanged compared with the first quarter.

Gross earnings fell from € 9.9 million in the previous year to € 8.7 million in the second quarter of 2007, as a result of higher personnel costs, and the gross margin reduced from 18.7% to 15.2% in the reporting period. Earnings before interest, tax, depreciation and amortization (EBITDA) fell slightly from € 6.5 million to € 6.4 million, and the EBITDA margin amounted to 11.2% in the second quarter (previous year: 12.3%). As in the previous year, depreciation rose in line with the first quarter, from € 1.6 million to € 2.1 million, and EBIT operating earnings consequently fell from € 4.9 million to € 4.3 million. The EBIT margin in the second quarter amounted to 7.6%, following 9.3% in the second quarter of the previous year.

The divergence of operating earnings from our budget results from several effects overall, which, although having little effect on an individual basis, nevertheless led to the significant fall in earnings in aggregate terms. Besides the matters already mentioned, which resulted in lower revenues relative to planning, high personnel costs, higher legal and consulting fees arising from the financial statements, as well as the delay in converting facilities to our laundry, brought about the above result. Moderate rises in care rates also only partially covered higher costs and the VAT expense.

The net financial result also developed negatively in the second quarter. As a result of higher levels of borrowing related to properties included in the balance sheet, higher lease payments for acquired operations, as well as a higher interest expense for acquisition loans, the interest expense rose compared with the previous year from € 2.1 million to € 3.0 million in the second quarter of 2007. Compared with the first quarter of the reporting year, this item was also burdened further by the fact that poor payment practices meant that credit lines were utilized to a greater degree, and interest income fell. The net financial result consequently fell to -€ 3.0 million (previous year: -€ 1.8 million). Pre-tax earnings correspondingly fell from € 3.1 million to € 1.3 million, and earnings after tax amounted to € 0.8 million in the second quarter (previous year: € 2.0 million). Earnings per share totaled € 0.02 for the second quarter of 2007 (previous year: € 0.08).

EBITDA RISES TO 14.5 MILLION IN FIRST HALF-YEAR OF 2007

Revenue rose by 9.5% to reach € 113.5 million (H1 2006: € 103.7 million). However, since production costs in the same period rose by 12.2% to € 95.0 million (previous year € 84.7 million), gross earnings fell from € 18.9 million to € 18.5 million in the first of the year, and the gross margin amounted to 16.3% (previous year: 18.3%).

The personnel expense climbed in the first half of 2007 from € 52.1 million to € 56.8 million, and the personnel cost ratio was almost unchanged at 50.0% (previous year: 50.2%). The rental expense rose to € 22.2 million (previous year: € 20.6 million), and its ratio as a percentage of revenue improved as a result of the unencumbered property in Greiz from 19.9% to 19.6%. Earnings before interest, tax, depreciation, and amortization (EBITDA) consequently rose from € 14.0 million to € 14.5 million, and the EBITDA margin fell to 12.8% (previous year: 13.5%). After deducting depreciation of € 4.2 million (previous year: € 3.2 million), EBIT operating earnings in the first half-year amounted to € 10.3 million (previous year: € 10.7 million). As a result of the disproportionate fall in the net financial result and an unchanged tax rate, consolidated net earnings in the first half of 2007 fell from € 4.6 million to € 3.2 million, and earnings per share amounted to € 0.10 (previous year: € 0.16).

HIGH TAX PREPAYMENTS REDUCE CASH FLOW

Operating cash flow changed mainly as a result of a high level of tax paid and tax prepayments rendered. EBITDA was around € 0.5 million higher in the reporting period, and net current assets fell by € 7.4 million (previous year: -€ 7.2 million). It was not only the tax paid of € 3.7 million, interest paid, and the release of provisions and value adjustments made in the previous year amounting to € 1.5 million, which catered for an optical decline in cash flow from € 6.2 million in the previous year to € 0.7 million in the first half-year of 2007.

Cash flow from investment activities amounted to -€ 3.4 million in the first half of the financial year (previous year: -€ 4.0 million). Cash flow from financing activity amounted to € 9.5 million (previous year: -€ 2.5 million) and was mainly composed of the redemption of loans, the dividend distribution, and the prepayment for finance leasing, and this was offset by the payment received from the capital increase performed to an amount of € 22.2 million.

EQUITY RATIO RISES FROM 18 TO 27 PERCENT

On the assets side, cash and cash equivalents fell from € 9.1 million to € 3.5 million, and trade receivables were reduced from around € 6.0 million to € 3.8 million. Other assets rose from € 4.2 million to € 17.9 million, and mainly reflect current investments required for the repayment of the convertible profit-sharing certificate on August 31, 2007.

Liabilities fell by a total of € 17.1 million. Current debt fell from € 58.4 million to € 45.4 million, which was mainly due to the paying-down of overdrafts, the reduction of imputed provisions, and the paying-off of borrowings owed to employees. Non-current debt fell in line with the budget, through redemption or repayment, from € 122.9 million as of December 31, 2007 to € 118.8 million.

Equity rose as a result of the capital increase from € 39.2 million to € 61.9 million, with Subscribed Capital rising by € 2.96 million, in line with the number of new shares, and € 19.5 million being placed in the capital reserve. The equity ratio consequently rose from 17.8% to 27.4% according to IFRS.

EMPLOYEES

The number of employees in the overall group rose from 5,198 in the first quarter of 2007 to 5,211 in the second quarter of 2007, which corresponds to a rate of growth of 0.25%. By way of comparison, CURANUM AG employed 4,679 staff members in the second quarter of 2006. The average number of employees in the first half of the year rose from 4,717 to 5,205 in the reporting period just past (+10.3%).

CAPITAL INCREASE

The Management Board resolved on May 4, 2007 to utilize the authorization to make a capital increase from Approved Capital, and, with the approval of the Supervisory Board, to increase the issued share capital against cash contribution and excluding subscription rights. This allowed the issued share capital to be increased to € 32.66 million through the issue of 2,960,000 new ordinary shares.

The issue price amounted to € 7.70, which corresponded to a total cash inflow of € 22.2 million after the deduction of costs. The new shares were subscribed for by a private investment company. The funds will be used to acquire further operating companies as well as to reduce borrowings.

SHAREHOLDERS' GENERAL MEETING REJECTS AUTHORIZATION TO ISSUE CONVERTIBLE BONDS

The Shareholders' General Meeting took place on June 21, 2007, and was held once again at our facility "Seniorenresidenz und Pflegezentrum Am Kreuzlinger Feld" in Germering near Munich. The around 120 persons present included 97 shareholders and representatives, representing a total of 8.67 million shares. This corresponds to a presence of 26.55% of the 32.66 million shares.

Besides the standard topics, items for approval included the resolution concerning the authorization to acquire own shares, the resolution concerning the authorization for the Management Board to issue convertible bonds and/or option bonds, and the election to supplement the Supervisory Board. All items on the agenda were accepted with the requisite majority with the exception of the last two points mentioned. The authorization to issue convertible bonds and/or option bonds are, however, was declined with around 58% of votes, and the candidate for the Supervisory Board was declined with around 56% of the presence entitled to vote.

The detailed results of the voting and all further relevant information regarding the Shareholders' General Meeting can be found as usual on the Internet at www.curanum.de under the item Investor Relations/English Version/Stockholders meeting.

OUTLOOK AND PLANNING

Economic growth will remain at a high level in Germany in the current year. Private consumer spending growth, in particular, should continue to be high during the course the year because the labor market situation continues to improve, and real disposable incomes are rising detectably despite the restrictive financial policy. This means the positive trend continues in Germany, underpinned by domestic demand, although a slight weakening in the global economy connected with oil price risks and problems in the US housing market also represent a certain level of risk for Germany.

The market for care services in Germany continues to be attractive as a result of demographic components and the higher utilization of professional care. Competition will increase further at selected locations, despite the fact that there have for some time been signs that the real estate market for retirement home property is overheating. For instance, purchase prices rose markedly during the last twelve months, and, in individual cases, have reached a level that can no longer be described as appropriate for the market. Real estate developers and investors are finding it increasingly difficult to locate operators willing to sign long-term lease agreements, and to thereby adopt the utilization risk for the coming 15-20 years.

The higher level of competition is detectable, however, in the partially lower level of utilization as well as in the greater number of disposals of facilities and operations that are unable to cope with the higher cost pressure, and are being obliged to leave the market. This market situation continues to provide us with attractive acquisition targets, which we will examine carefully and acquire given positive due diligence. Consolidation will continue in coming years since the market will remain highly fragmented. Although foreign operators are also attempting to gain a foothold in the difficult German market, there are no signs to date that this has led to rising prices, since many of the operators on offer are far too small for these purchasers.

Occupancy in our facilities will continue to be at the top of the agenda in the second half of the year, which is why we will work even more intensively at improving our quality in all areas, and to create out of our care homes health centers for those in need of care. These centers will offer comprehensive services ranging from medical care to palliative treatment.

We are adjusting our targets for the full financial year given the negative effects we have described above. We are consequently expecting revenue of € 228.4 million, EBITDA of € 30.4 million, EBIT of € 22.2 million, and net income of € 8.1 million.

We are currently working on improving individual problem areas, and are convinced that we will be able to turn around the major share of negative effects in the second half of the year. We continue to aim to realize our growth objective of 800-1,000 additional beds within the planned timeframe, and we are confident that we can achieve our aim of a 15% EBITDA margin in 2008.

Munich, August 2007
The Management Board

CURANUM AG, MUNICH

CONSOLIDATED INCOME STATEMENT

IN THE PERIOD FROM JANUARY 1 TO JUNE 30, 2007 (IFRS)

	Q2 - 2007 1.4. - 30.6. T€	Q2 - 2006 1.4. - 30.6. T€	H1 - 2007 1.1. - 30.6. T€	H1 - 2006 1.1. - 30.6. T€
REVENUES	56,920	52,758	**113,525**	**103,666**
Cost of revenues	48,256	42,900	95,039	84,727
GROSS PROFIT / LOSS	**8,664**	**9,858**	**18,486**	**18,939**
Selling and Marketing expenses	373	266	728	494
General and administrative expenses	3,960	4,654	8,236	8,466
Other operating expenses	798	577	1,225	866
Other operating income	792	532	2,030	1,566
OPERATING INCOME / LOSS	**4,326**	**4,894**	**10,327**	**10,679**
Interest and other expenses	3,011	2,065	5,253	3,930
Interest and other income	0	199	214	390
Depreciation on financial assets	0	25	0	49
RESULT BEFORE INCOME TAX	**1,315**	**3,052**	5,288	**7,188**
Income tax	528	1,012	2,062	2,537
Minority interest	0	-1	0	6
NET INCOME / LOSS	**787**	**2,041**	**3,226**	**4,645**
Net income per share (basic)	0.02 € [1])	0.07 € [2])	0.10 € [1])	0.16 € [2])
Net income per share (diluted)	0.02 € [1])	0.07 € [2])	0.10 € [1])	0.16 € [2])

1) Net income / number of outstanding shares (32,660,000 basic and diluted)

2) Net income / number of outstanding shares (29,700,000 basic and diluted)

CURANUM AG, MUNICH

CONSOLIDATED BALANCE SHEET AS OF JUNE 30, 2007 (IFRS)

ASSETS	30.06.2007 T€	31.12.2006 T€
Current assets		
Cash and cash equivalents	3,515	9,105
Trade accounts receivable	3,807	5,953
Inventories	752	729
Other current assets	17,931	4,155
Tax receivables	1,076	978
TOTAL CURRENT ASSETS	**27,081**	**20,920**
Non-current assets		
Property, plant and equipment	122,510	122,743
Intangible assets	1,783	1,982
Goodwill	53,488	53,397
Shareholdings	0	1
Deferred tax assets	12,532	12,531
Other financial assets	8,703	8,928
TOTAL NON CURRENT ASSETS	**199,016**	**199,582**
TOTAL ASSETS	**226,097**	**220,502**

LIABILITIES AND SHAREHOLDERS' EQUITY

	30.06.2007 T€	31.12.2006 T€
Current liabilities		
Short-term portion of finance lease debt	4,657	4,813
Short-term debt and current portion of long-term debt	24,584	26,384
Trade accounts payable	1,569	3,210
Accruals	4,862	4,075
Income tax payable	466	1,742
Other current liabilities	8,145	15,953
Others	1,150	2,230
TOTAL CURRENT LIABILITIES	**45,434**	**58,407**
Non-current liabilities		
Long-term debt	55,675	57,293
Capital lease obligations	55,352	57,315
Deferred tax liability	7,091	7,091
Others	673	1,229
TOTAL NON-CURRENT LIABILITIES	**118,791**	**122,928**
Shareholders' equity		
Share capital	32,660	29,700
Additional paid-in capital	31,252	11,757
Equity portion convertible bond	1,051	1,051
Retained earnings	502	886
Revaluation reserve	1,617	1,616
Accumulated profit/loss	-5,244	-5,876
Minority interests	34	33
TOTAL SHAREHOLDERS' EQUITY	**61,871**	**39,167**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**226,097**	**220,502**

CURANUM AG, MUNICH

CONSOLIDATED CASHFLOW STATEMENT

IN THE PERIOD FROM JANUARY 1 TO JUNE 30, 2007 (IFRS)

	1.1.-30.6.2007 T€	1.1.-30.6.2006 T€
Net income before tax	5,288	7,187
Adjustments for:		
Depreciation	4,168	3,278
Financial results	-214	-390
Interest expenses	5,252	3,930
Result from disposals of fixed assets	0	2
Other expenses and income not affecting payments	-244	-38
Increase / decrease in provisions and accruals	209	1,543
Change in net working capital	-7,442	-7,202
Interest paid	-3,701	-542
Tax paid	-2,647	-1,561
CASH FLOWS FROM OPERATING ACTIVITIES	**669**	**6,207**
Cash outflow for purchase of assets	-3,361	-2,559
Prepayment for purchase of assets	-226	-1,528
Interest received	145	81
CASH FLOWS FROM INVESTING ACTIVITIES	**-3,442**	**-4,006**
Cash inflows / cash outflow for:		
– Short-term debt	-1,725	-785
– Long-term debt	0	10,000
Cash outflow for granted loans	-1,462	-838
Cash repayments of amounts borrowed	-1,649	-3,411
Cash outflow for finance lease obligations	-4,409	-4,478
Capital increase	22,194	0
Cash outflow for profit participation right	-210	0
Dividend payment 2006	-3,266	-2,970
CASH FLOWS FROM FINANCING ACTIVITIES	**9,473**	**-2,482**
Net increase (decrease) in cash and cash equivalents	6,700	-281
Cash and cash equivalents at beginning of period	9,112	2,175
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	**15,812**	**1,894**

CURANUM AG, MUNICH

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS´ EQUITY IN THE PERIOD FROM JANUARY 1 TO JUNE 30, 2007 (IFRS)

	Share capital T€	Additional paid-in capital T€	Retained earnings T€	Revalu-ation reserve T€	Accumu-lated profit/loss T€	Minority interests T€	Equity portion of conver-tible bond T€	Total T€
AS OF JAN 31, 2006	**29,700**	**11,763**	**841**	**--**	**-12,217**	**--**	**1,051**	**31.138**
Net income for the period	--	--	--	--	9,346	--	--	9,346
Divident payment	--	--	--	--	-2,970	--	--	-2,970
Negative minority interests	--	--	45	--	--	--	--	45
Changes in the consolidated entity	--	--	--	1,616	--	34	--	1,650
Accumulated other shareholders´ equity	--	-6	--	--	-35		--	-41
Total	29,700	11,757	886	1,616	-5,876	34	1,051	39,168
AS OF DEC 31, 2006	**29,700**	**11,757**	**886**	**1,616**	**-5,876**	**34**	**1,051**	**39,168**
Net income for the period	--	--	--	--	3,226	--	--	3,226
Negative minority interests	--	--	6	--	--	--	--	6
Capital increase	2,960	19,495	--	--	--	--	--	22,455
Dividend payment	--	--	--	--	-3,266	--	--	-3,266
Reclassifications	--	--	-390	--	393	--	--	3
Consolidation effect not affecting net income	--	--	--	--	279			279
Total	32,660	31,252	502	1,616	-5,244	34	1,051	61,871
AS OF JUNE 30, 2007	**32,660**	**31,252**	**502**	**1,616**	**-5,244**	**34**	**1,051**	**61,871**

NOTES ON INTERIM REPORT ON JUNE 30, 2007
IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

1. GENERAL DISCLOSURES ON 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 creation and operation of senior citizen and residential care homes.

2. ACCOUNTING AND VALUATION METHODS

Accounting and valuation methods have not been changed since the annual financial statements as of December 31, 2006 with following exeptions. We thus refer to the notes concerning accounting and valuation methods in the consolidated financial statements as of December 31, 2006.

CAPITAL INCREASE

On May 4, 2007, the Management Board of CURANUM AG resolved to increase the issued share capital of the company by 10%; this entailed the exclusion of subscription rights for shareholders, and the new shares are dividend-entitled from January 1, 2006.

The resolution is connected with the decision taken by the shareholders' General Meeting of CURANUM AG on June 23, 2005 to create an Approved Capital of € 13 million, of which 10% can be utilized excluding subscription rights on the part of existing shareholders.

As a consequence of the capital increase, the issued share capital is increased from 29.7 million shares to 32.66 million shares, and amounts to € 32.66 million as of June 30, 2007. The premium exceeding the nominal value was transferred to the capital reserve. Pre-tax transaction costs incurred in connection with the capital increase reduce the reported capital reserve; this was reported at an amount of € 31,3 million as of June 30, 2007.

On March 27, 2007, the Supervisory Board resolved unanimously to authorize the Management Board to perform the above-mentioned measure.

OTHER CURRENT ASSETS

Other current assets contain current financial assets allocated to the category "Financial instruments held for trading purposes". These concerned shares in a quasi-money-market fund, acquired with the intention of selling them in the near future.

First-time recognition was performed at fair value, which corresponds to historical cost. No significant change in the fair value was registered as of the reporting date.

As of June 30, 2007, the balance sheet entry among other current assets amounts to € 12,296,586.50.

RECONCILIATION OF CASH AND CASH EQUIVALENTS IN BALANCE SHEET AND CASH FLOW STATEMENT

Reconciliation of cash and cash equivalents:

	T€
Cash and cash equivalents in balance sheet	3,515
Current financial assets Curanum AG	12,297
Cash and cash equivalents at the end of period	**15,812**

THE REPORTING BASIS

The present, unaudited quarterly accounts were initially produced in compliance with the International Financial Reporting Standards (IFRS) devised by the International Accounting Standards Board (IASB). At the time of transferring to IFRS, CURANUM AG prepared an opening balance on January 1, 2004 which represents the starting point for accounting in accordance with IFRS.

The income statement was converted to the cost of sales method.

The quarterly accounts were produced in accordance with IAS 34, and do not necessarily include all the information contained in the consolidated financial statements. Reference is made to the consolidated financial statements produced according to IFRS as of December 31, 2006.

The consolidated financial statements were prepared in euros (€). As long as not otherwise declared, all values have been rounded to the nearest thousand euros (T€).

DECLARATION OF CONFORMITY WITH IFRS

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

CONSOLIDATED COMPANIES

The following companies were consolidated as of June 30, 2007

Company	Country of incorporation	Stake %	Share of voting rights %
CURANUM Verwaltungs- und Beteiligungs GmbH & Co. KG, Munich	Germany	100,00	100,00
CURANUM Holding GmbH, Munich	Germany	100,00	100,00
CURANUM Betriebs GmbH, Munich	Germany	100,00	100,00
CURANUM Bad Hersfeld GmbH, Munich	Germany	100,00	100,00
Krankenheim Ruhesitz am Wannsee – Seniorenheimstatt GmbH, Berlin	Germany	100,00	100,00
CURANUM Franziskushaus GmbH, Gelsenkirchen	Germany	100,00	100,00
Altenheimbetriebsgesellschaft NORD GmbH, Munich	Germany	100,00	100,00
Altenheimbetriebsgesellschaft SÜD GmbH, Munich	Germany	100,00	100,00
Altenheimbetriebsgesellschaft WEST GmbH, Munich	Germany	100,00	100,00
Altenheimbetriebsgesellschaft OST GmbH, Munich	Germany	100,00	100,00
Alten- und Pflegeheim Sieglar GmbH, Munich	Germany	100,00	100,00
Seniorenzentrum Hennef GmbH, Munich	Germany	100,00	100,00
Residenz Lobberich GmbH, Nettetal	Germany	100,00	100,00
accurato GmbH, Munich	Germany	100,00	100,00
OPTICURA Service GmbH, Munich	Germany	100,00	100,00
Wäscherei Ellerich GmbH, Kaisersesch	Germany	100,00	100,00
CURANUM Westfalen GmbH, Munich	Germany	100,00	100,00
Fazit Betriebsträgergesellschaft für soziale Einrichtungen mbH, Nuremberg	Germany	100,00	100,00
CURANUM Baubetreuung und Immobilienmanagement GmbH, Munich	Germany	100,00	100,00
GAP Media Service GmbH, Munich	Germany	100,00	100,00
Bonifatius GPG Gesellschaft für Pflege und Gesundheit mbH, Munich	Germany	55,00	55,00
CURANUM Bessenbach GmbH, Munich	Germany	100,00	100,00
RIAG Seniorenzentrum "Ennepetal" GmbH & Co. KG, Munich	Germany	92,68	9,09
RIAG Seniorenzentrum "Erste" GmbH & Co. KG, Munich	Germany	93,75	9,64
RIAG Seniorenzentrum "Zweite" GmbH & Co. KG, Munich	Germany	100,00	10,00
VGB Beteiligungs- und Vermögensverwaltungs GmbH, Munich	Germany	100,00	100,00
CB Seniorenresidenz Armbrustergasse GmbH, Vienna	Austria	100,00	100,00
CB Managementservice GmbH, Kitzbühel	Austria	100,00	100,00
Bad Schwartauer AVG Altenheim-Vermietung GmbH & Co. KG, Munich	Germany	99,50	99,50
ROSEA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Liesborn KG, Düsseldorf	Germany	100,00	100,00

With a notary deed of April 5, 2007, CURANUM Holding GmbH, Munich acquired 100% in shares and voting rights of Servicegesellschaft West GmbH, Munich for a purchase price of € 25,000.00. The issued share capital of the company amounts to € 25,000.00. Consideration is being given to spinning off individual operating locations belonging to Opticura Service GmbH into Service Gesellschaft West GmbH.

EARNINGS PER SHARE

With regard to earnings per share, we refer to the information in the profit and loss account of these quarterly accounts.

RELATIONSHIPS WITH AFFILIATED PERSONS / COMPANIES

With regard to the Company's relationships with affiliated persons / companies, we refer to the explanations given in the annual statement of accounts as of December 31, 2006.

In comparison to the consolidated financial statements as of December 31, 2006 there had been no substantial changes.

3. SEGMENT REPORTING

Curanum provides all its services for an indentical group of customers. The opportunity-risk profile of these services does not vary significantly and is interdependent. The Company's internal reporting structure also makes no distinction between segments. In addition, the Company is only engaged in the German market. No segment reporting is carried out as the Company cannot be divided into different business segments or different geographical segments.

4. CONTINGENT LIABILITIES AND CONTINGENT RECEIVABLES

No contingent liabilities are shown in the quarterly accounts. They are disclosed in the Notes except if the possibility of an outflow of economically beneficial resources is very unlikely.

No contingent receivables are shown in the quarterly accounts. However, they are disclosed in the Notes if the inflow of a financial benefit is likely.

5. EVENTS AFTER THE BALANCE SHEET REFERENCE DATE

There have been no significant events since the balance sheet reference date.

The present quarterly accounts were approved for publication by the Company's Management Board on August 9, 2007.

ASSURANCE OF THE LEGAL REPRESENTATIVES

According to the best of our knowledge, we assure that, in accordance with the applicable accounting principles for half-year reporting, the consolidated interim financial statements convey a true and fair view of the Group's assets, financing, and earnings; that the development of business, including the company's earnings, and the position of the Group are presented in the Group interim management report in such a way, that a true and fair view of actual circumstances is conveyed; and that the significant opportunities and risks pertaining to the prospective development of the Group in the remainder of the financial year are described.

Hans-Milo Halhuber
Chairman and member of the management board

Bernd Scheweling
Management board member

Bernd Rothe
Management board member

Sabine Merrazi-Weirich
Management board member

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

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Good care has a home.