



CURANUM

Good care has a home.

CURANUM AG, München

QUARTERLY REPORT FOR THE PERIOD
FROM JANUARY 1 TO JUNE 30, 2006

THE GROUP AT A GLANCE

	1.4. - 30.6.		1.1. - 30.6.		1.1. - 31.3.	
mil. €	Q2 - 2006	Q2 - 2005	HY1 - 2006	HY1 - 2005	Q1 - 2006	Q1 - 2005
Sales	52.8	47.4	103.7	93.6	50.9	46.2
Personnel costs	26.3	24.0	52.1	47.4	25.8	23.4
Rental expenses	10.4	8.4	20.6	16.8	10.2	8.4
EBITDA	6.5	6.8	14.0	12.7	7.4	5.9
in % of Sales	12.3	14.3	13.5	13.6	14.5	12.8
Depreciation	1.6	1.1	3.2	2.9	1.6	1.9
EBIT	4.9	5.8	10.7	9.8	5.8	4.0
in % of Sales	9.3	12.2	10.3	10.5	11.4	8.7
Financial result	-1.8	-1.8	-3.5	-3.1	-1.7	-1.3
EBT	3.1	4.0	7.2	6.7	4.1	2.7
Net profit	2.0	2.5	4.6	4.2	2.6	1.6
EPS (€)	0.07	0.09	0.16	0.14	0.09	0.06
Cash Flow	2.5	6.2	6.8	8.2	4.2	2.0
CPS (€)	0.09	0.21	0.23	0.28	0.14	0.07
Cash and cash equivalents	1.9	1.6	1.9	1.6	7.2	2.2
Shareholders' Equity	38.7	37.8	38.7	37.8	39.7	39.5
in % of balance sheet total	23.0	20.7	23.0	20.7	22.9	21.1
Balance sheet total	168.6	183.0	168.6	183.0	173.5	187.5
Employees (average)	4,677	4,149	4,717	4,102	4,756	4,054
Facilities	52	45	52	45	52	45
Care places	6,520	5,651	6,520	5,651	6,520	5,641
Assisted living apartments	693	689	693	689	693	686



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ECONOMIC UPTREND IN GERMANY CONTINUES

In the first half of 2006, the economic dynamics that started in the previous year intensified. Real gross domestic product continued to expand faster than production potential. Not least as a result of the higher level of investment activity, domestic demand has gathered momentum in the current business year. Even private consumption increased slightly and at least had the effect of neutralizing the decline in the final quarter of 2005. The economic recovery also had a gradual ameliorating effect on the employment market so that, in the period from January to June 2006, the number of unemployed on a seasonally adjusted basis fell by 168,000 and the decline in the number of social security-registered employed was halted.

HEALTHCARE REFORM SO FAR WITHOUT SERIOUS CONSEQUENCES FOR THE NURSING CARE MARKET

To date, the currently heated debate regarding the reform of the healthcare system in Germany has led to few plans to institute changes in the nursing care market. In their consultation paper, the coalition parties have confirmed some positive aspects with respect to the nursing care market, which had already been reflected in the coalition agreement. However, there have been no definite statements concerning the financing of nursing care insurance.

This means that some of the gaps in the nursing care area will be addressed with care services, particularly the care of people suffering from dementia, since the definition of the term "in need of care" that has been utilized so far has centered primarily on physical requirements to the detriment of psychological needs. Measures are also being considered to improve nursing care for those dying in hospices.

In the area of pharmaceutical supply, it is intended that the dispensing of individual tablets should be made easier. Although it has been possible up until now to supply pharmaceuticals in blister packages, because blister packages fell also under the definition of "packaging" and dispensing individual tablets was rendered possible as a consequence, it was impossible to submit individual invoices to the health-care insurance companies. As a result of the "individualization" resulting from political pressure, we hope that the health insurance companies' systems will be adapted to the situation in the foreseeable future and that our pharmaceuticals concept, which is still awaiting the go-ahead, will be able to commence.

We expect equally positive effects for those in need of nursing care and for their relatives to result from providing a more dynamic structure for the provision of flat rate nursing care payments made by the nursing care insurance companies, since this prevents a further reduction in the refinancing proportion of nursing care insurance compared with total costs. This will help to counter the rise in the quota of social security recipients. The aim is that, as a result of this, the own contribution of those in need of nursing care should no longer exceed the increase in the overall economic price level.

DESPITE DECLINE IN OCCUPANCY, SALES REVENUES IN LINE WITH BUDGET

In the second quarter of the current financial year, we were forced to accept a temporary decline in occupancy that depressed our capacity utilization rate by over one percentage point. The reasons for this were varied and were not attributable to one single event. Overall, the number of persons in need of nursing care continued to rise and, as a result, demand for qualified nursing care personnel. Despite of this, the result was hardly stronger demand for

MANAGEMENT REPORT

nursing care places. It seemed rather to be the case that relatives chose to delay the move to nursing care facilities in order to avoid additional payments. On the other hand, the number of mortalities increased markedly in the second quarter, a fact which could not be attributed in a significant way either to the weather or to external factors such as flu epidemics or similar factors.

However, sales revenues in the second quarter of 2006 nevertheless developed positively since, in addition to revenues from nursing care, the CURANUM Group also booked additional revenues from, for example, laundry or catering services for third parties. In this way, consolidated sales in the second quarter of 2006 grew from € 47.4 million in the previous year to € 52.8 million in the reporting period just past (+11.4%). Of this, CURANUM AG generated € 48.5 million from inpatient care services and related services, € 2.5 million from the rental of managed residential facilities as well as outpatient nursing care services and € 1.8 million from other sales revenues. The latter arose primarily from laundry services

for third parties, reimbursements for incontinence materials, proceeds from third-party rentals and cafeteria and catering services that were not directly allocable to nursing care services.

In the first half of the year, sales revenues grew from € 93.6 million to € 103.7 million (+10.8%), of which € 95.7 million or 92.3% came from nursing care and related services, 4.8% from outpatient services and rental income, as well as 2.9% from other sales revenues.

EBITDA AT € 6.5 MILLION IN THE SECOND QUARTER

In the second half of the year, the integration of the facilities acquired at the start of the year was accompanied by further investments relating primarily to the personnel area. Since, for commercial reasons, we needed to carry out a rapid transition at the middle management level, higher expenses than planned were required for settlements. As a result, personnel

€ m	Q2 - 2006	Q2 - 2005	YOY	H1 - 2006	H1 - 2005	YOY
Sales	52.8	47.4	11.4%	103.7	93.6	10.8%
Personnel costs	26.3	24.0	9.6%	52.1	47.4	9.9%
Rental expense	10.4	8.4	23.8%	20.6	16.8	22.6%
EBITDA	6.5	6.8	-4.4%	14.0	12.7	10.2%
in % of Sales	12.3	14.3	--	13.5	13.6	--
Depreciation	1.6	1.1	45.5%	3.2	2.9	10.3%
EBIT	4.9	5.8	-15.5%	10.7	9.8	9.2%
in % of Sales	9.3	12.2	--	10.3	10.5	--
Financial results	-1.8	-1.8	0.0%	-3.5	-3.1	12.9%
EBT	3.1	4.0	-22.5%	7.2	6.7	7.5%
Net profit	2.0	2.5	-20.0%	4.6	4.2	9.5%
EPS (€)	0.07	0.09	-22.2%	0.16	0.14	14.3%

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expenditures rose from € 24.0 million in the previous year to € 26.3 million and were, as a result, € 0.5 million higher than in the first quarter of 2006 (€ 25.8 million). General administration costs rose from € 3.8 million in the previous year to € 4.7 million in the reporting period just past.

As a result of the capacity utilization rate in the new facilities (75%), which is still too low, despite representing an improvement on the first quarter, rents had a particularly negative effect on profitability. In the second quarter, rent expenses rose from € 8.4 million to € 10.4 million. Earnings before interest, tax, depreciation and amortization (EBITDA) developed in the second quarter from € 6.8 million to € 6.5 million. The EBITDA margin fell to 12.3%. After depreciation and amortization of € 1.6 million (previous year: € 1.1 million), operating profit (EBIT) amounted to € 4.9 million (previous year: € 5.8 million). In the second quarter of 2006, the EBIT margin was 9.3%.

Given an unchanged financial result of € -1.8 million (previous year: € -1.8 million) and taxes of € 1.1 million, net profit for the period was € 2.0 million, after € 2.5 million in the same period of the previous year. As a result, in the second quarter of 2006, earnings per share amounted to € 0.07 (previous year: € 0.09).

In the first half of 2006, EBITDA improved by 10.2% to € 14.0 million (previous year: € 12.7 million). The EBITDA margin developed from 13.6% to 13.5%. Operating profit EBIT climbed by 9.2% to € 10.7 million. Consequently, the EBIT margin in the first half of the year of 2006 was equivalent to 10.3%. Earnings after taxes improved from € 4.2 million to € 4.6 million (+9.5%). Earnings per share amounted to € 0.16, following € 0.14 in the previous year.

CASH FLOW CHARACTERIZED BY REDUCED LIABILITIES; HIGH INVESTMENTS IN NON-CURRENT ASSETS

In the first half of the current financial year, cash flow from the ongoing business activities was € 6.8 million and, as a result, was below the level of cash flow in the same period of the previous year (€ 8.2 million). The reason for this was the change in net current assets, in particular the reduction of trade liabilities as well as loans totaling approximately € 6 million.

In the first half of the year of 2006, we invested approximately € 6 million more than in the comparable period of the previous year. Besides the initial investments for the laundry of € 1.7 million, a further € 1.5 million was invested in the expansion of the machine park for the fully automatic cleaning and sorting of residents' laundry using RFID chips. In addition, we made further investments in the existing facilities of around € 1 million, in particular for hardware, software, equipment and renovation. We invested around € 2.1 million in the new facilities in North Rhine Westphalia, predominantly in items of equipment. Cash investments totaled around € 6.7 million for the period to June 30, 2006 (previous year: € 0.6 million).

Cash flows from financing activities were characterized by the drawing down of borrowings for the new facilities at the start of the year (€ 9.2 million), payments for the guaranteeing and repayment of loans (€ 4.5 million), as well as the payment for finance leasing (€ 2.1 million) and the dividend distribution for the 2005 financial year (€ 3 million). In the first half of the year of 2006, cash flows from financing activities amounted to € -325,000 (previous year: € -9.1 million).

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DIVIDEND DISTRIBUTION AND ADVANCE TAX PAYMENTS REDUCE CASH AND CASH EQUIVALENTS

Compared with the first-quarter report of 2006, the main change in the consolidated balance sheet concerned cash and cash equivalents on the assets side as well as trade liabilities on the liabilities side.

Since, in the second quarter, we needed to pay the dividend distribution of € 0.10 per share, totaling around € 3 million, an advance tax payment, premium and bonus payments, as well as loan repayments, cash and cash equivalents fell from € 7.2 million as of March 31, 2006 to € 1.9 million at the end of the reporting period and, as a result, corresponded approximately to the level as of December 31, 2005 (€ 2.2 million).

Once again, we reduced trade receivables slightly by € 0.5 million to € 1.5 million. Other short-term assets rose to € 9.9 million (March 31, 2006: € 7.1 million).

Short-term liabilities fell to € 34.5 million (March 31, 2006: € 36.4 million). The main reason for this was the reduction of trade liabilities by € 2.2 million to € 2.2 million (March 31 2006: € 4.4 million) as well as the reduction of short-term loans by around € 1 million to € 5.2 million.

STAFF

As a result of the optimization of capacities in the new facilities, as well as the slightly lower level of occupation, the number of employees in the second quarter fell by around 80 to 4,677 as of June 30, 2006 (previous year: 4,149). As a result, the CURANUM Group employed an average of 4,717 members of staff

in the first half of the year. In the first half of 2005, the number of employees was 4,102.

ANNUAL SHAREHOLDERS' GENERAL MEETING 2006

Presumably as a result of the hot weather and the omnipresent football World Cup, the Annual Shareholders' General Meeting 2006 at our facility in Germering was attended by a smaller number of shareholders, which was evident not only in the number of persons attending (58), but also in the lower level of capital represented. A total of € 29.7 million of capital was represented this year, equivalent to 7.2 million shares or 24.3% of the subscribed capital. The low level of attendance was certainly also due to the modified structure of the shareholder base which now includes international investors who find it less easy to attend shareholders' meetings and who are frequently not represented.

The points on the agenda that were tabled were accepted with a high level of agreement, with the exception of one point. As a result, the regulations of the Act regarding Corporate Integrity and the Modernization of the Right to Challenge (UMAG) were adopted into the bylaws of CURANUM AG, the extension of the authorization to acquire own shares was accepted and the new auditor was elected. However, the proposal to reject making detailed disclosures regarding the remuneration of the Board in accordance with the Act concerning the Disclosure of Board Remuneration (VorstOG) was rejected with 58.6% of the votes, since a qualified majority of 75% would have been required for this point.

The list of attendees and the precise results of voting can always be found on the Internet at www.curanum.de under Investor Relations/HV-Service.

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SHARE PRICE CONSOLIDATES AT HIGH LEVEL, ROADSHOWS IN EUROPE AND USA

Following the brilliant rally, the share price paused for breath in the second quarter and moved in a range between the low of € 6.86 and a high of € 8.57, closing the quarter on June 30, 2006 at € 7.95. In the second quarter we also visited our international shareholders in the financial centers of London, Paris, Zurich, Frankfurt, Amsterdam and Edinburgh. A second roadshow to the USA at the end of the quarter completed the extensive investor relations program that was accompanied by numerous investor meetings, conference calls and analyst presentations.

SLIGHT CORRECTION TO FORECASTS

In the second half of the financial year, we are anticipating a continuation of the recovery of the economy, strengthened by domestic demand. Next year, private consumption will also expand as a result of the rise in value added tax. Construction and investment activity will continue to rise. For this reason we are also expecting a slight improvement in the employment market situation, which could again precipitate a delay in entries into nursing care facilities.

The reform of the healthcare system will prospectively not have serious negative effects on the nursing care market, despite a solution of the financing problem from the perspective of the sponsors not being in sight. The Laender and local authorities will attempt to reduce their costs through a slow dissolution of the One Class System and increasingly transferring costs to self-payers. Demand for nursing care places will continue to grow, particularly since there continues to be no alternative to inpatient care from a particular level of care requirements.

CURANUM AG is currently engaged in negotiations with several interested operators of varying dimensions. We are expecting that we will achieve our aim of acquiring seven further facilities in the next six to nine months. As part of this, we are focusing on private operator groups with 3-15 facilities that occupy a good position in the relevant locations, carry out a qualitatively good level of care and are able to achieve an appropriate return on investment.

In order to increase the level of our occupation, we shall strengthen our local marketing measures and seek continually to improve the quality of our services. We shall continue to pursue new forms of residential facility and nursing care, such as innovative service concepts or new services focused on our core nursing care service.

€ m	2005	2006e	YOY
Sales	188.5	210.1	11.5%
EBITDA	25.8	29.0	12.4%
in % of Sales	13.7	13.8	--
Depreciation	6.1	6.6	8.2%
EBIT	19.6	22.3	13.8%
in % of Sales	10.4	10.6	--
Net profit	7.3	10.4	42.5%
EPS (€)	0.25	0.35	40.0%

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In view of the key profit figures that we have achieved in the first half of 2006, we are adapting our forecasts for the full 2006 financial year. We are working on the basis that we shall achieve sales revenues of € 210.1 million. Although the capacity utilization rate is currently rising, we are reducing our targets for EBITDA to € 29.0 million, EBIT to € 22.3 million and net profit to € 10.4 million. As a result, the after-tax result will rise by 42.5% in the 2006 financial year.

Munich, August 2006

The Management Board

CURANUM AG, MUNICH
CONSOLIDATED BALANCE SHEET AS OF JUNE 30, 2006 (IFRS)

ASSETS	30.6.2006 T€	31.12.2005 T€
Current assets		
Cash and cash equivalents	1,894	2,175
Trade accounts receivable	1,470	3,782
Inventories	468	468
Prepaid expenses and other current assets	9,896	6,319
Tax receivables	1,416	1,646
TOTAL CURRENT ASSETS	15,145	14,390
Non-current assets		
Property, plant and equipment	88,543	85,440
Intangible assets	494	297
Goodwill	41,650	41,650
Shareholdings	1	1
Shares in associated companies	49	0
Deferred tax assets	11,801	11,801
Other financial assets	10,728	11,002
Minority interests	201	208
TOTAL NON CURRENT ASSETS	153,466	150,397
TOTAL	168,611	164,787

LIABILITIES AND SHAREHOLDERS' EQUITY

	30.6.2006 T€	31.12.2005 T€
Current liabilities		
Short-term portion of finance lease debt	4,234	3,803
Short-term debt and current portion of long-term debt	5,154	4,727
Trade accounts payable	2,156	4,385
Accruals	4,634	3,384
Income tax payable	6,546	4,822
Other current liabilities	10,124	17,269
Others	1,617	1,082
TOTAL CURRENT LIABILITIES	34,465	39,472
Non-current liabilities		
Long-term debt	21,431	13,476
Capital lease obligations	59,401	60,259
Deferred tax liability	1,596	1,596
Accruals	757	757
Others	12,218	12,158
TOTAL NON-CURRENT LIABILITIES	95,403	88,247
Shareholders' equity		
Share capital	29,700	29,700
Additional paid-in capital	11,763	11,763
Treasury stock	1,051	1,051
Retained earnings	2,937	2,937
Accumulated profit/loss	-6,708	-8,383
TOTAL SHAREHOLDERS' EQUITY	38,743	37,068
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	168,611	164,787

CURANUM AG, MUNICH
CONSOLIDATED INCOME STATEMENT
 IN THE PERIOD FROM JANUARY 1 TO JUNE 30, 2006 (IFRS)

	Q2 - 2006 1.4. - 30.6. T€	Q2 - 2005 1.4. - 30.6. T€	HY1 - 2006 1.1. - 30.6. T€	HY1 - 2005 1.1. - 30.6. T€
REVENUES	52,758	47,377	103,666	93,615
Cost of revenues	42,900	37,322	84,727	76,276
GROSS PROFIT / LOSS	9,858	10,055	18,939	17,339
Selling and Marketing expenses	266	299	494	425
General and administrative expenses	4,654	3,829	8,466	6,965
Other operating expenses	577	608	866	1,097
Other operating income	532	457	1.566	918
OPERATING INCOME / LOSS	4,894	5,776	10,679	9,770
Interest and other expenses	2,065	2,129	3,930	3,692
Interest and other income	199	326	390	607
Profit/loss participation associated companies	25	0	49	0
RESULT BEFORE INCOME TAX AND MINORITY INTEREST	3,052	3,973	7,188	6,685
Income tax	1,012	1,413	2,537	2,498
Other tax	0	4	0	4
Minority interest	-1	25	6	17
NET INCOME / LOSS	2,041	2,531	4,645	4,175
Net income per share (basic) *	0.07 €	0.09 €	0.16 €	0.14 €
Net income per share (diluted) *	0.07 €	0.09 €	0.16 €	0.14 €
* Net income / number of outstanding shares (29,700,000 basic and diluted)				

CURANUM AG, MUNICH
CONSOLIDATED CASH FLOW STATEMENT
 IN THE PERIOD FROM JANUARY 1 TO JUNE 30, 2006 (IFRS)

	1.1.-30.6.2006 T€	1.1.-30.6.2005 T€
Net income before tax	7,188	6,689
Adjustments for:		
Depreciation	3,279	2,934
Financial results	-390	-607
Interest expenses	3,930	3,692
Result from disposals of fixed assets	4	0
Other expenses and income not affecting payments	-544	350
Increase / decrease in provisions and accruals	1,250	1,921
Change in net working capital	-5,738	-4,128
Interest paid	-1,516	-1,076
Tax paid	-706	-1,534
CASH FLOWS FROM OPERATING ACTIVITIES	6,757	8,241
Purchase of property, plant and equipment	-2,671	-257
Advance payment for assets	-1,528	0
Cash inflows from disposals of property, plant and equipment	0	913
Interest received	34	53
Others (Increase in financial lease positions not affecting payments)	-2,548	-97
CASH FLOWS FROM INVESTING ACTIVITIES	-6,713	612
Cash inflows from amounts borrowed	9,210	0
Cash outflows for granted loans	-1,059	0
Cash repayments of amounts borrowed	-3,411	-2,572
Payment of capital lease liabilities	-2,095	-2,381
Dividend payment	-2,970	-4,158
CASH FLOWS FROM FINANCING ACTIVITIES	-325	-9,111
Net increase (decrease) in cash and cash equivalents	-281	-258
Cash and cash equivalents at beginning of period	2,175	1,871
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	1,894	1,613

CURANUM AG, MUNICH
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
IN THE PERIOD FROM JANUARY 1 TO JUNE 30, 2006 (IFRS)

	Share capital T€	Additional paid-in capital T€	Retained earnings T€	Accumu- lated profit/loss T€	Equity portion of convertible bond T€	Total T€
AS OF DEC 31, 2004 / JAN. 1, 2005	29,700	11,763	2,937	-11,551	1,051	33,900
Net income for the period	--	--	--	7,326	--	7,326
Divident payment	--	--	--	-4,158	--	-4,158
Changes in the consolidated entity	--	--	--	--	--	0
Other changes	--	--	--	--	--	0
Total	29,700	11,763	2,937	-8,383	1,051	37,068
AS OF DEC 31, 2005	29,700	11,763	2,937	-8,383	1,051	37,068
Net income for the period	--	--	--	4,645	--	4,645
Dividend payment	--	--	--	-2,970	--	-2,970
Changes in the consolidated entity	--	--	--	--	--	0
Other changes	--	--	--	--	--	0
Total	0	0	0	-6,708	0	1,675
AS OF JUNE 30, 2006	29,700	11,763	2,937	-6,708	1,051	38,743

CURANUM AG, MUNICH
NOTES ON INTERIM REPORT ON JUNE 30, 2006
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, 2005. We thus refer to the notes concerning accounting and valuation methods in the consolidated financial statements as of December 31, 2005.

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, 2005.

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

CURANUM AG, MUNICH
 NOTES ON INTERIM REPORT ON JUNE 30, 2006
 IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

CONSOLIDATED COMPANIES

The following companies were consolidated as of June 30, 2006

Company	Country of incorporation	Stake %	Share of voting rights %
CURANUM Verwaltungs- und Beteiligungs GmbH & Co. KG, Munich	Germany	100.00	100.00
CURANUM GmbH, Haan	Germany	100.00	100.00
CURANUM Betriebs GmbH, Haan	Germany	100.00	100.00
CURANUM Bad Hersfeld GmbH, Haan	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
Curanum Westfalen GmbH, Haan	Germany	100.00	100.00
Altenheim Betriebsgesellschaft NORD GmbH, Munich	Germany	100.00	100.00
Altenheim Betriebsgesellschaft SÜD GmbH, Munich	Germany	100.00	100.00
Altenheim Betriebsgesellschaft WEST GmbH, Munich	Germany	100.00	100.00
Altenheim Betriebsgesellschaft OST GmbH, Munich	Germany	100.00	100.00
Curanum Bessenbach GmbH, Haan	Germany	100.00	100.00
Alten- und Pflegeheim Sieglar GmbH, Bad Honnef	Germany	100.00	100.00
Seniorenzentrum Hennef GmbH, Haan	Germany	100.00	100.00
Residenz Lobberich GmbH, Nettetal-Lobberich	Germany	100.00	100.00
accurato GmbH, Munich	Germany	100.00	100.00
OPTICURA Service GmbH, Haan	Germany	100.00	100.00
Wäscherei Ellerich GmbH, Haan	Germany	100.00	100.00
CURANUM Baubetreuung und Immobilienmanagement GmbH, Haan	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
RIAG Seniorenzentrum "Ennepetal" GmbH & Co. KG, Bad Honnef	Germany	92.68	9.09
RIAG Seniorenzentrum "Erste" GmbH & Co. KG, Bad Honnef	Germany	93.75	9.64
RIAG Seniorenzentrum "Zweite" GmbH & Co. KG, Bad Honnef	Germany	100.00	10.00

CURANUM AG, MUNICH
NOTES ON INTERIM REPORT ON JUNE 30, 2006
IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

Curanum AG holds 24% of the shares in Bad Schwartauer AVG Altenheimvermietung GmbH & Co. KG. According to IAS 28.6/28.7, CURANUM AG exerts a significant influence on the company. As a consequence, the shareholding is accounted at equity.

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, 2005.

In comparison to the consolidated financial statements as of December 31, 2005 we report the following significant changes:

The loans of T€ 2,584 reported in the financial statements as of December 31, 2005 granted by further related persons where repaid to the full amount as of June 30, 2006.

In comparison to the financial statements as of December 31, 2005 loan receivables from Bonifatius AT GmbH rose by T€ 1,058 to T€ 6,921.

3. SEGMENT REPORTING

Curanum provides all its services for an identical 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.

CURANUM AG, MUNICH
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IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

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 10, 2006.

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