

Quarterly Report 1/2012



CURANUM

Gute Pflege hat ein Zuhause.

THE GROUP AT A GLANCE

CURANUM AG, Munich

Overview of key Group figures - Actual
as of March 31, 2012

in € millions	Q1/2012*	Q1/ 2011	2011*	2010
Revenue	70.9	64.0	265.9	256.8
Personnel expense	36.4	32.8	136.9	129.6
Other expenses	12.4	11.9	48.2	47.2
Rental expense	14.2	13.2	53.8	53.7
Operating EBITDA	7.9	6.1	27.0	26.3
as % of revenue	11.1	9.5	10.2	10.2
One-off effects	0	0	1.8	6.6
EBITDA after one-off effects	7.9	6.1	25.2	19.7
as % of revenue	11.1	9.5	9.4	7.7
Depreciation and amortization	3.3	2.5	11.1	10.2
EBIT before impairment charges	4.6	3.6	14.1	9.5
Impairment charges	0	0	22.2	16.7
EBIT	4.6	3.6	-8.1	-7.2
as % of revenue	6.5	5.6	-3.1	-2.8
Net financial result	-3.1	-2.4	-11.1	-9.7
Earnings before tax	1.5	1.2	-19.2	-16.9
Taxes on income	0.5	0.7	-6.3	-1.1
Earnings after tax	1.0	0.5	-12.9	-15.8
Earnings per share (EPS) in €	0.03	0.02	-0.35	-0.54
Cash flow from operating activities	6.1	2.7	21.0	25.7
CPS in €	0.16	0.08	0.54	0.80
Net debt	53.6	62.4	50.4	61.3
Equity	48.0	49.8	46.8	49.1
Equity ratio	17.7	21.2	16.9	20.8
Total assets	271.5	234.6	277.6	236.1
Employees	7,031	6,230	7,078	6,348

* Since November 1, 2011, includes the six facilities acquired from GWA

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Management report on the first quarter

Macroeconomic trends

Sentiment in the German economy registered a tangible improvement at the start of 2012, with companies and consumers expecting the economy to recover momentum over the coming months. The care market was almost unaffected by these expectations, although it reported a slight increase during the first quarter due to its primary dependency on demographic trends and medical progress, as anticipated. The unemployment rate decreased further overall, with brisk demand for labor across all sectors. This is also particularly true of specialist care staff.

The consumer price index was up by around 2% compared with the first quarter of 2011, although general care rates failed to benefit from this to any notable extent.

Business trends

PROFITABILITY

CURANUM Group business reported a positive trend thanks to the structural measures that were launched.

Consolidated revenue was up by €6.9 million year-on-year, equivalent to 11% growth. The facilities that were acquired in November 2011 contributed €5.3 million to this increase, as well as the further growth in our facilities' utilization rate.

Personnel expenses were up in line with revenue, increasing by €3.6 million in the first quarter to reach €36.4 million. At €14.2 million, the first quarter rental expense was €1.0 million higher than the previous year's level, primarily reflecting the facilities acquired in November. Other expenses in the first quarter reported an only moderate increase of around €0.5 million to €12.4 million.

As a consequence, total first-quarter EBITDA, in other words, earnings before interest, tax, depreciation and amortization, grew by 30% to €7.9 million. Of this amount, €1.3 million was attributable to the newly acquired facilities, and €0.5 million to operating improvements.

Depreciation and amortization rose by €0.8 million in the first quarter to €3.3 million due to the facilities that were acquired. Consequently, EBIT, in other words, earnings before interest and tax, stood at €4.6 million in the first quarter, around 28% ahead of the previous year's result.

The first-quarter net financial result depreciated by €0.7 million to €-3.1 million. This is basically due to additional interest payments for finance leases for the acquired facilities. Interest expenses for existing loans unrelated to leasing were almost unchanged, by contrast, due to a year-on-year lower level of finance debt.

Taxes on income fell by €0.2 million due to the offsetting of existing loss carry forwards. First-quarter earnings after tax of

€1.0 million were significantly ahead of the previous year's €0.5 million as a consequence. This is equivalent to first-quarter earnings per share of €0.03.

NET ASSETS

Consolidated total assets fell by 2% compared with the start of the year, to €271.5 million.

On the assets side of the balance sheet, cash and cash equivalents decreased to €17.1 million as of March 31, mainly due to the payment of the remainder of the purchase price to GWA for the facilities acquired in November 2011. Other current assets fell by €0.5 million due to effects related to the reporting date, while receivables due for care services were up by €0.7 million as a result of the takeover of the new facilities.

Due to this transaction, we reduced our other investments to around €1.2 million in the first quarter in order to conserve cash. Non-current assets reported a slight decrease as a consequence.

On the equity and liabilities side of the balance sheet, financial liabilities fell by €1.0 million to €70.7 million due to the repayment of existing finance debt. Lease liabilities were also reduced by €1.5 million, as planned.

Trade payables were up by €0.2 million, while other current liabilities were reduced by €5.0 million due to the purchase price payments to GWA.

Total equity grew by €1.0 million to €48.0 million, reflecting current-year earnings.

The equity ratio improved from 16.9% at the start of the year to currently 17.7% as a consequence.

FINANCIAL POSITION

As of March 31, 2012, the CURANUM Group reports a €4.1 million reduction in cash and cash equivalents, reflecting a €6.1 million cash inflow from operating activities, a €-6.1 million cash outflow from investing activities, and a €-4.1 million cash outflow from financing activities.

The cash inflow from operating activities doubled year-on-year to €6.1 million. Along with the operating earnings improvement, this reflects a working capital reduction that is particularly attributable to effects related to the reporting date.

Along with the €5 million purchase price payment for the acquisition of the new facilities, the cash outflow from investing activities comprises €1.2 million of other investments. Our investment focus lay on improving our facilities' attractiveness, and on IT required to optimize care processes.

The cash outflow from financing activities is particularly attributable to repayments of lease liabilities, and higher liabilities due to the acquired facilities.

The agreed covenant for the borrower's note loan was kept at the end of the first quarter, due to the gratifying development of earnings.

Management Board and employees

At 7,031 individuals, the number of Group employees in the third quarter was 800 higher than in the prior-year period. The CURANUM Group employed an average of 372 trainees during the first quarter.

The share

During the first three months, the share price appreciated from €1.90 on January 1 to €2.08 on March 31. This increase failed to match the general trend of DAX share prices. Average daily trading turnover amounted to 8,250 shares in the first three months of the year.

Risks and opportunities attached to business development

Compared with the presentation made in the annual report for the 2011 financial year, there were no notable changes to the risks and opportunities pertaining to business development.

Outlook

We anticipate that our positive first-quarter business trend will continue over the further course of 2012. We anticipate, both as a consequence of the takeover of the new facilities, and due to the operating improvement of our business, a rise of total revenue of about 7% and of EBIT margin of about 6%.

Munich, May 2012

CURANUM AG
The Management Board

Consolidated balance sheet

as of March 31, 2012

Assets in T€	31/03/2012	31/12/2011
Current assets		
Cash and cash equivalents	17,058	21,192
Trade receivables	8,193	7,535
Inventories	1,106	1,067
Other assets	4,445	4,940
Income tax receivables	1,091	1,084
Total current assets	31,893	35,818
Non-current assets		
Property, plant and equipment	155,602	157,433
Other intangible assets	4,979	5,225
Goodwill	57,385	57,385
Deferred tax	17,396	17,619
Other assets	4,269	4,112
Total non-current assets	239,631	241,774
Total assets	271,524	277,592

Equity and liabilities

in T€

31/03/2012

31/12/2011

	31/03/2012	31/12/2011
Current liabilities		
Leasing liabilities	6,136	6,018
Financial liabilities	31,839	32,298
Trade payables	12,070	11,870
Provisions	671	750
Income tax liabilities	1,580	1,500
Other liabilities	20,995	25,961
Total current liabilities	73,291	78,397
Non-current liabilities		
Leasing liabilities	105,541	107,129
Financial liabilities	38,819	39,336
Deferred tax	4,588	4,483
Provisions	1,304	1,304
Total non-current liabilities	150,252	152,252
Equity		
Share capital	39,192	39,192
Additional paid-in capital	37,460	37,460
Treasury shares	-1,241	-1,241
Revenue reserve and earnings carried forward	-27,326	-14,438
Consolidated net income	1,048	-12,864
Other comprehensive income	-1,197	-1,205
Non-controlling interests	45	39
Total equity	47,981	46,943
Total equity and liabilities	271,524	277,592

Consolidated income statement

for the period from January 1, 2012 until March 31, 2012

in T€	Q1/2012	Q1/2011
1. Revenue	70,870	64,047
2. Cost of sales	62,143	56,144
3. Gross profit	8,727	7,903
4. Selling and marketing expenses	298	302
5. General administration expenses	5,420	4,726
6. Other operating expenses	291	554
7. Other operating income	1,872	1,262
8. Operating profit	4,590	3,583
9. Interest and similar expenses	3,098	2,459
10. Other interest and similar income	26	38
11. Earnings before income taxes	1,518	1,162
12. Taxes on income	464	622
13. Earnings after income taxes	1,054	540
of which share of earnings attributable to non-controlling interests	6	3
of which earnings attributable to CURANUM AG shareholders	1,048	537
Earnings per share (diluted and basic) based on earnings attributable to holders of CURANUM AG ordinary shares	0.03	0.02
Number of outstanding shares taken as basis	38,090,865	32,254,898

Presentation of total comprehensive income for the period

Statement of total comprehensive income

in T€	Q1/2012	Q1/2011
Earnings after income taxes	1,054	540
Gains/losses from the change in fair value of financial instruments used for hedging purposes	12	256
Losses from other earnings-neutral changes	0	-7
Deferred tax relating to earnings-neutral components of comprehensive income for the period	-4	-76
Total value changes reported in equity	8	173
Total of after-tax earnings and value changes reported in equity	1,062	713
of which attributable to non-controlling interests	6	3
of which attributable to CURANUM AG shareholders	1,056	710

Consolidated statement of changes in equity

for the period from January 1, 2012 until March 31, 2012

All amounts in T€	Share capital	Capital reserves	Accumulated profit/loss	Revenue reserve	
				Other revenue reserves	Actuarial gains/losses
31/12/2010	32,660	32,303	-15,354	1,023	0
Total of after-tax earnings and value changes reported in equity	0	0	537	0	0
Miscellaneous changes	0	0	0	-26	0
31/03/2011	32,660	32,303	-14,817	997	0
31/12/2011	39,192	37,460	-28,217	1,009	-94
Total of after-tax earnings and value changes reported in equity	0	0	1,048	0	0
Miscellaneous changes	0	0	0	-24	0
31/03/2012	39,192	37,460	-27,169	985	-94

Other comprehensive income			Equity attributable to CURANUM shareholders	Non-controlling interests	Equity
Repurchase of Treasury shares	Revaluation reserve	Cash flow hedge	Total	Total	Total
-1,241	543	-835	49,099	47	49,146
0	-83	256	710	3	713
0	0	0	-26	0	-26
-1,241	460	-579	49,783	50	49,833
-1,241	486	-1,691	46,904	39	46,943
0	-4	12	1,056	6	1,062
0	0	0	-24	0	-24
-1,241	482	-1,679	56,988	45	47,981

Consolidated cash flow statement

for the 2012 financial year for CURANUM AG, Munich

in T€	31/03/2012	31/03/2011
I. Operating activities		
Result before taxes and minority interests	1,518	1,162
Depreciation/amortization and impairments of non-current assets	3,274	2,539
Other interest and similar income	-26	-38
Interest and similar expenses	3,098	2,459
Gains from the disposal of assets	52	0
Change in working capital	-804	-1,916
Income taxes paid	-53	-673
Income taxes received	108	261
Interest paid	-1,078	-1,097
Interest received	17	38
Cash flow from operating activities	6,106	2,735
II. Investing activities		
Cash outflows from corporate acquisitions	-4,856	0
Cash outflows for investments in property, plant and equipment, and intangible assets	-1,248	-1,862
Cash flow from investing activities	-6,104	-1,862
III. Financing activities		
Cash inflows from drawing down of financial liabilities	0	456
Cash outflows for redemption of financial liabilities	-787	-724
Cash outflows for finance leasing (interest and redemption components)	-3,349	-2,408
Cash flow from financing activities	-4,136	-2,676
Net change in cash and cash equivalents	-4,134	-1,803
Cash and cash equivalents at the start of the period	21,192	15,850
Cash and cash equivalents at the end of the period	17,058	14,047

NOTES TO THE FINANCIAL STATEMENTS

1. General information on the company

CURANUM Aktiengesellschaft (referred to below as "CURANUM AG" or the "Company") has its headquarters at Engelbertstrasse 23-25, 81241 Munich, Germany. The business objective of CURANUM AG and its subsidiaries is the creation and operation of senior citizen and residential care homes. CURANUM AG, Munich, as the ultimate parent company of the CURANUM Group, has prepared this set of consolidated financial statements.

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 starting point for IFRS accounting.

The income statement has been prepared according to the nature of expense method.

These 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, 2011, which were prepared according to IFRS.

These quarterly financial statements have been prepared in euros. All values have been rounded up to the nearest thousand euros (T€) unless otherwise stated. The tables and notes may contain rounding differences compared with the precisely mathematically calculated figures.

2. Accounting principles

With the exception of the special circumstances detailed below, the accounting and valuation principles are identical to those used for reporting purposes as of December 31, 2011. Please refer to the related notes in the consolidated financial statements as of December 31, 2011.

Statement of compliance 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 European Union.

SCOPE OF CONSOLIDATION

Name	Registered office	Interest held % ¹⁾
The following German companies were fully consolidated as of March 31, 2012 (in alphabetical order)		
1 Altenheimbetriebsgesellschaft Ost GmbH ²⁾	Munich	100.0
2 Altenheimbetriebsgesellschaft Süd GmbH ²⁾	Munich	100.0
3 Altenheimbetriebsgesellschaft West GmbH ²⁾	Munich	100.0
4 Alten- und Pflegeheim Sieglar GmbH ²⁾	Munich	100.0
5 Bad Schwartauer AVG Altenheim-Vermietung GmbH & Co. KG	Munich	95.0
6 Bremer Wohnstifte gemeinnützige GmbH ³⁾	Bremen	100.0
7 CURANUM AG (Muttergesellschaft)	Munich	--
8 CURANUM Akademie Stiftung gemeinnützige GmbH	Munich	100.0
9 CURANUM Bad Hersfeld GmbH ²⁾	Munich	100.0
10 CURANUM Baubetreuung und Immobilienmanagement GmbH	Munich	100.0
11 CURANUM Bessenbach GmbH ²⁾	Munich	100.0
12 CURANUM Betriebs GmbH ²⁾	Munich	100.0
13 CURANUM Dienstleistung GmbH	Munich	100.0
14 CURANUM Franziskushaus GmbH ²⁾	Gelsenkirchen	100.0
15 CURANUM Holding GmbH ²⁾	Munich	100.0
16 CURANUM Liesborn GmbH & Co. KG (vormals: ROSEA Grundstücksvermietungs- gesellschaft mbH & Co. Objekt Liesborn KG)	Munich	94.0
17 CURANUM Verwaltungs- und Beteiligungs GmbH & Co. KG ²⁾	Munich	100.0
18 CURANUM Westfalen GmbH ²⁾	Munich	100.0
19 ELISA Seniorenstift GmbH ²⁾	Munich	100.0
20 FAZIT Betriebsträgergesellschaft für soziale Einrichtungen mbH ²⁾	Nuremberg	100.0
21 GAP Media Service GmbH ²⁾	Munich	100.0
22 Krankenhaus Ruhesitz am Wannsee-Seniorenheimstatt GmbH ²⁾	Berlin	100.0
23 Lucullus GmbH ³⁾	Bremen	100.0
24 OPTICURA Service GmbH ²⁾	Munich	100.0
25 Residenz Niederrhein GmbH	Nettetal-Lobberich	100.0
26 RIAG Seniorenzentrum "Ennepetal" GmbH & Co. KG	Munich	99.6
27 RIAG Seniorenzentrum "Erste" GmbH & Co. KG	Munich	100.0
28 RIAG Seniorenzentrum Zweite GmbH & Co. KG	Munich	100.0
29 Seniorenzentrum Hennef GmbH ²⁾	Munich	100.0
30 Service Gesellschaft West GmbH ²⁾	Munich	100.0
31 Timmendorfer Wohnstift gemeinnützige GmbH ³⁾	Bremen	100.0
32 VGB Beteiligungs- und Verwaltungs GmbH	Munich	94.0
33 Wäscherei Ellerich GmbH ²⁾	Kaisersesch	100.0
34 Wohnstift Lingen gemeinnützige GmbH ³⁾	Bremen	100.0
35 Wohnstift Salzgitter Bad gemeinnützige GmbH ³⁾	Bremen	100.0

¹⁾ Unless otherwise stated, the equity interest corresponds to the level of voting rights

²⁾ These companies are exempt from the requirement to prepare, audit and publish annual financial statements and management reports in accordance with the provisions applying to incorporated firms.

³⁾ CURANUM Holding GmbH acquired these companies with effect as of November 1, 2011. Please refer to the section A2 "Scope of consolidation" of the consolidated financial statements for more information.

Events after the balance sheet date (IAS 10.21)

By legal arrangement from April 4, 2012 a reduction of purchase price for the shares of ELISA Group was agreed. No further events occurred after the balance sheet date.

Earnings per share

Please refer to the consolidated income statement in these quarterly financial statements concerning earnings per share.

Related parties

Please refer to the notes to the consolidated financial statements as of December 31, 2011, concerning related parties disclosures.

No significant changes have occurred compared with the consolidated financial statements as of December 31, 2011.

3. Segment reporting

The CURANUM Group renders all services for an identical group of customers, and operates exclusively on the German market. These services' opportunity and risk profiles are not significantly different, and are interdependent. For this reason, the business segments that have been identified are summarized in line with the provisions of IFRS 8. Since there are no separate reporting segments in the meaning of IFRS 8, there is also no presentation by business divisions.

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.

Munich, May 15, 2012

CURANUM AG

The Management Board



Walther Wever
(CEO)



Judith Barth
(CFO)

FINANCIAL CALENDAR

May 16, 2012	Ordinary Shareholders' General Meeting in Bad Nenndorf
July 30, 2012	Half-year financial report
October 30, 2012	Third-quarter report



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