



Interim announcement for second half of 2011

Consolidated interim announcement for the second half of 2011 pursuant to §§ 37 x & y German Securities Trading Act (WpHG)

Neuss, 29 December 2011

MEDISANA – Significant improvement in earnings expected in financial year 2011 against slight fall in revenue.

- **9 per cent increase in revenue during the period January to September 2011**
- **Improved earnings announced for the current fourth quarter**
- **Real capital increase of EUR 2.7 million equivalent to EUR 3.50 per share**
- **Successful start to rollout of VitaDock in partnership with Deutsche Telekom**
- **Higher revenues following abolition of mandatory reimbursement of non-insulin dependent diabetics**
- **Positive earnings contribution following unwinding of interest in Gimelli Laboratories Co. Ltd.**

Revenue and earnings performance

MEDISANA AG's satisfactory revenue performance continued and in the first nine months of the year, the company achieved revenues of EUR 34.0 million (previous year: EUR 31.2 million). This equates to an increase of 8.9 per cent. Gross earnings rose 7.3 per cent to EUR 8.4 million (previous year: EUR 7.8 million). The gross margin was 24.7 per cent, slightly down on the previous year (25.1 per cent). At EUR -1.2 million, EBIT was slightly weaker than in the previous year (EUR -1.1 million). Consequently, net earnings fell somewhat to EUR -1.9 million (previous year: EUR -1.7 million).

MEDISANA also achieved higher revenues in the third quarter of 2011, to the tune of EUR 11.5 million (previous year: EUR 10.0 million). However, higher marketing and sales costs for the launch of VitaDock impacted negatively on EBIT. Currency effects were also down compared to the previous year by EUR 0.6 million. EBIT stood at EUR -0.6 million (previous year: EUR -0.4 million).



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The financial position remains sound, with an equity ratio of 31.5 per cent (previous year: 35 per cent). Following a capital increase of EUR 2.7 million, the company has significantly higher liquid assets of EUR 3.4 million compared to the previous year (EUR 1.8 million).

Focus on rapidly growing 2nd healthcare market, VitaDock rollout

MEDISANA continues to focus its activities on the second healthcare market, which is growing apace. In this market characterised by cost-intensive innovations, the company pushed ahead with its promising positioning in selected segments. The rollout of the VitaDock series in partnership with Deutsche Telekom AG was successfully completed in August. The sales network is currently being expanded and MEDISANA is pleased with progress so far. The product has gained a firm foothold in the market and received positive reviews from all the specialist media. The abolition on 1 October of mandatory reimbursement of non-insulin dependent diabetics for test strips and devices has also benefited MEDISANA. It affects around 3 million people in Germany alone. The Management Board expects this to make a significant contribution to revenue and earnings.

Unwinding of Gimelli Laboratories Co. Ltd. (Gimelli)

Just as it is developing promising business segments, MEDISANA is also systematically offloading failed investments. Against the backdrop of Government ordered wage increases, a strong currency and highly volatile commodity prices, the company's stake in Gimelli Laboratories Co. Ltd. (Gimelli) in Hong Kong failed to meet revenue and earnings expectations. The unwinding of the 51% stake took effect on 30 September 2011. This transaction entailed the return to MEDISANA of the full purchase price of USD 2.8 million and the 630,000 issued shares. Gimelli's production plants will remain available to MEDISANA.

A capital increase out of authorized capital was implemented with effect from 23 December 2011 in order to strengthen equity. The company's previous capital stock of EUR 7,664,327.00 was increased by 10%, (EUR 766,000) to EUR 8,430,327.00 while excluding the statutory subscription right. The 766,000 new shares were issued by means of a non-cash contribution of a loan of EUR 2,681,000.00 at a price of EUR 3.50 per share.

Key MEDISANA Group figures¹⁾

TEUR

Change over the quarter			
	Q3 / 2011	Q3 / 2010	Change in %
Sales revenues	11,465	10,009	14.55
Gross profit/loss	3,162	2,134	48.17
Gross margin	27.6%	21.3%	29.58
EBIT (earnings before interest and tax)	-641	-382	-67.80
Net profit/loss	-898	-701	28.10
	Q1-3 / 2011	Q1-3 / 2010	Change in %
Sales revenues	34,014	31,240	8.88
Gross profit/loss	8,398	7,827	7.30
Gross margin	24.7%	25.1%	-1.59
EBIT (earnings before interest and tax)	-1,170	-1,067	-9.65
Net profit/loss	-1,943	-1,699	-14.36
Nine-month comparison			
	30.09.2011	30.09.2010	Change in %
Equity	11,310	15,316	-26.16
Total assets	35,904	43,759	-17.95
Equity ratio	31.5%	35.0%	-10.00
Cash and cash equivalents as of 30 September.	3,442	1,820	89.12

1) Figures have not been audited or subjected to an auditor's review

Forecast for 2011 as a whole

For the current financial year, Management expects to see significantly improved earnings against a slight fall in revenue. Over the next few years, most of Medisana's growth will occur in the new business segments. Consolidation is the best that can be hoped for in the traditional product groups as competition becomes increasingly fierce. The VitaDock margin on the other hand is considerably higher than the average for the other products.

Medisana anticipates a high contribution to growth from the Assisted Living and Stress Management in the Workplace sectors and as a result of the abolition of mandatory reimbursement of non-insulin dependent diabetics. MEDISANA considers itself to be well positioned in the Home of Wellness sector, where it expects to see annual double-digit percent growth.

The company also plans to open up new sales channels. Its Russian subsidiary (Medisana RUS OOO) should move into profit territory this year for the first time, after previously posting start-up losses as expected.

Financial Calendar

April 2012	Publication of provisional figures for 2011
May 2012	Publication of annual financial statements for 2011
May 2012	Interim announcement for first half of 2011
June 2012	Annual General Meeting Düsseldorf

FUTURE-ORIENTED STATEMENTS

Forward-looking statements contain risks. This document contains future-oriented statements based on the current assumptions and forecasts of the Management Board of MEDISANA AG, which reflect its current assumptions and estimates. Various facts that are currently unknown or unforeseeable may mean that actual corporate and business trends, and consequently also the actual results and financial position of MEDISANA AG, result in differing outcomes. The Management Board firmly believes that the expectations of the prospective statements are valid and realistic. Should unforeseen risks nevertheless occur, MEDISANA AG cannot guarantee that the expectations expressed will prove correct.