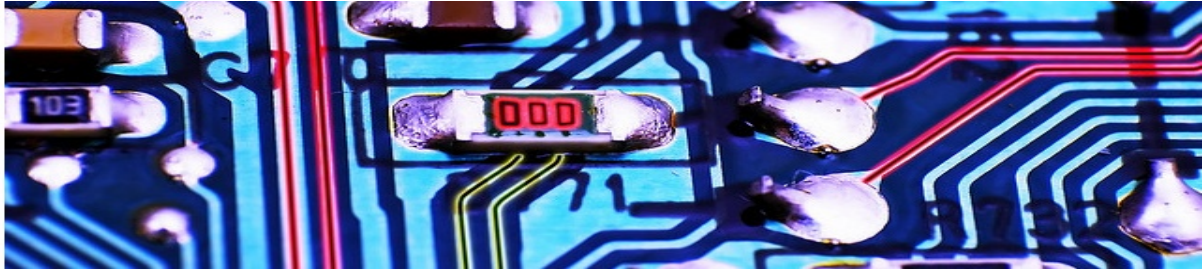


Restructuring and Legal Separation from Consumer Business in Europe

“A Summary Report”



AT A GLANCE

Due to the fact that the consumer business was suffering from continuous loss making, beginning of 2009 the top management presented a plan to substantially reorganize the consumer business in Europe and separate the divisional activities also legally from the medical business in Europe.

Summary

This plan showed the following key-points of restructuring:

- Move the Regional head office for consumer businesses from Germany to France
- Outsource the loss making technical service activities
- Outsource the distribution in Italy to a third party
- Close the Swiss subsidiary
- Establish new companies in France, UK and Germany
- Implement a new consumer business model

Implementation Highlights

After having received the principle “go ahead” from the share holders the following steps have been implemented:

- Outsourcing of consumer distribution in Italy (March 2009)
- Start with outsourcing of technical Service (May 2009)
- Move of HQ staff from Germany to France (September 2009)
- Closure of Swiss subsidiary (October 2009)
- Establishing new subsidiaries in Germany and UK
- Spin-off deed of Headquarter in France
- Start with the new organisation and fully operational in April 2010

Key Achievements

- **Reduce CONSUMER BUSINESS staff in Europe by almost 50% (210->110)**
- Stay present in the three major markets (DE, FR and UK) in Europe
- Increase Sales & Marketing staff ratio
- Budgeted project costs were kept
- All fiscal and tax implications were investigated and implemented
- All inter company contracts were signed (asset deal, facility agreements etc.)
- Fully operational ERP solution
- No negative impact on customers
- **In total > 10 mio. Euro SGA savings p.a. (advertising expense excluded (> 30% cost saving)!!!**
- Set ground for a smooth transfer of the consumer business to new share holder

Operating Expense Comparison

	2008/2009	2009/2010	2010/2011	Variance in %
Advertising Expenses	14.520	4.843	2.951	
Selling Expenses	11.576	8.567		
Personal Expenses	15.178	10.765		
Administration Exp.	6.796	4.467		
SGA excl. Advertising Exp.	33.550	23.799	21.054	62,75%
Total Operating Exp.	48.070	28.642	24.005	49,94%