

**Interim report MEDICLIN Aktiengesellschaft**  
for the period from 1 January 2006 to 30 September 2006



### Key data business development

In millions of €	Q3 2006	Q2 2006	Q1 2006	Q3 2005	Q2 2005	Q1 2005
Sales	95.3	94.6	91.8	94.6	93.9	87.5
Operating result (EBIT)	6.3	4.5	1.1	7.1	3.7	- 1.1
EBIT margin in %	6.7	4.6	1.2	7.5	3.9	- 1.3
EBITDA margin in %	8.9	6.9	3.4	9.8	6.0	1.0
Financial result	- 1.5	- 1.3	- 1.3	- 1.9	- 1.8	- 1.8
Result attributable to shareholders of MediClin	4.2	2.9	- 0.4	5.6	2.0	- 3.0
Cash flow from operating activities	6.6	- 5.2	- 0.3	11.7	2.5	- 0.4
Gross capital expenditure	3.6	4.0	4.7	4.1	3.3	2.9
Net financial liabilities	61.7	65.6	58.3	63.7	71.7	71.3
Number of full-time employees (quarterly average)	5,265	5,239	5,223	5,264	5,227	5,230
Earnings per share undiluted in €	0.13	0.09	- 0.01	0.17	0.06	- 0.09
Earnings per share diluted in €	0.13	0.09	- 0.01	0.17	0.06	- 0.09
Cash flow from operating activities per share in €	0.21	- 0.17	- 0.01	0.37	0.08	- 0.01
Number of shares in millions	31.5	31.5	31.5	31.5	31.5	31.5

### Group and segment sales

In millions of €	Q3 2006	Q2 2006	Q1 2006	Q3 2005	Q2 2005	Q1 2005
Post-acute	55.0	53.6	52.0	55.3	54.5	50.5
Acute	38.1	38.9	37.8	37.4	37.9	35.9
Nursing care	2.2	2.1	2.0	1.9	1.5	1.1
<b>Group</b>	<b>95.3</b>	<b>94.6</b>	<b>91.8</b>	<b>94.6</b>	<b>93.9</b>	<b>87.5</b>

### Group and segment results from operating activity

In millions of €	Q3 2006	Q2 2006	Q1 2006	Q3 2005	Q2 2005	Q1 2005
Post-acute	1.3	0.2	- 2.9	2.4	0.0	- 4.2
Acute	5.0	4.4	4.1	4.7	4.0	3.3
Nursing care	0.0	- 0.1	- 0.1	0.0	- 0.3	- 0.2
<b>Group</b>	<b>6.3</b>	<b>4.5</b>	<b>1.1</b>	<b>7.1</b>	<b>3.7</b>	<b>- 1.1</b>

### Occupancy rates for the Group and the segments

In %	Q3 2006	Q2 2006	Q1 2006	Q3 2005	Q2 2005	Q1 2005
Post-acute	78.9	79.2	75.5	79.4	79.1	73.7
Acute	78.3	78.8	80.2	74.0	77.0	79.6
Nursing care	84.6	81.1	79.0	79.0	64.1	52.7
<b>Group</b>	<b>79.0</b>	<b>79.2</b>	<b>76.5</b>	<b>78.5</b>	<b>78.1</b>	<b>74.0</b>

Due to arithmetical reasons, calculation differences of +/- one unit (€, %) may occur. Percentage rates have been determined on the basis of € values.

## Dear Shareholders, Employees and Business Friends,

In the first nine months of 2006, we were able to generate sales of EUR 281.7 mill., which was EUR 5.7 mill. or 2.1% above the figure for the relevant nine-month period in the previous year. Our acute segment achieved the largest sales increase with EUR 3.6 mill. With sales of EUR 114.8 mill. and a segment result totalling EUR 13.5 mill., we recorded an EBIT margin of 11.8%. The nursing care segment boosted sales by EUR 1.8 mill. and with EUR 6.3 mill. after two-and-a-half years makes up approximately 2.2% of total sales. The goal in this segment is a 2% to 3% share of sales. At EUR –0.2 mill., the segment booked an almost break-even result. Sales in the post-acute segment over the nine months were EUR 0.3 mill. above the comparative figure for the same period in the previous year. The segment result improved by EUR 0.4 mill. to EUR –1.4 mill., however, the doctors' strike in the summer caused a shift in seasonal fluctuation as compared to the previous year.

MediClin's earnings situation thus continued to improve in the first nine months of the current financial year. At EUR 11.9 mill., the Group operating result was EUR 2.2 mill. above the figure of EUR 9.7 mill. for the same nine-month period in 2005. The Group result before minority interests in the first nine months of 2006 was EUR 6.8 mill. as compared to the previous year's figure of EUR 4.5 mill.

In July 2006, we became one of the first clinic groups to publish quality reports for our post-acute facilities. There are now eight reports available. The quality reports, which are in line with the reports legally required for acute facilities, are designed to facilitate transparency and to provide patients, doctors, hospitals and health insurance companies with open information about our services. Our goal is to make the quality of medical treatment understandable to patients and case managers respective doctors, as well as to provide an important orientation aid and decision-making tool.

According to information from the Ifo Institute (Information and Research – Information und Forschung) from 26 October 2006, the current favourable economic situation should boost the boom in the German economy until 2008, and then ease the employment market situation thereafter. Findings from surveys conducted by the Institute indicate that the economic upturn is set to continue next year despite the imminent VAT increase.

On 25 October 2006, the Federal cabinet passed the controversial "Gesetz zur Stärkung des Wettbewerbs in der Gesetzlichen Krankenversicherung". The extensive provisions governing the financing and organisation of the health service are due to come into force in a time-phased schedule from April 2007 to 2009.

Based on the information currently available to us, the MediClin Board of Management expects any negative effects that may arise to be absorbed by improvements in efficiency.

For the 2006 financial year, we currently expect moderate sales growth and to succeed in sustaining the absolute figures in terms of performance improvement achieved in the first nine months as compared to the same nine-month period of the previous year, which will presumably be equal to a 25% increase.



Dr. Ulrich Wandschneider  
Chairman of the Board of Management

## Company development in the first nine months of the 2006 financial year

### General information

The report on the unaudited consolidated interim financial statements of MEDICLIN Aktiengesellschaft (hereinafter also referred to as MediClin AG or MediClin) for the first nine months of the 2006 financial year is in line with the International Accounting Standard 34. The same accounting and valuation methods were used as for the preparation of the consolidated financial statements for the 2005 financial year. The figures posted for the previous year were calculated according to the same accounting and valuation principles in order to ensure the comparability of the published figures.

### Business development

In the first nine months of 2006, MediClin generated sales of EUR 281.7 mill., which is EUR 5.7 mill. above the figure for the same nine-month period in the previous year (first nine months 2005: EUR 276.0 mill.).

#### Development of sales in the Group and in the segments in nine-month comparison

In millions of €	9 months 2006	9 months 2005	Change in absolute terms	Change in %	Share 9 months 2006 in %
Post-acute	160.6	160.3	+ 0.3	+ 0.2	57.0
Acute	114.8	111.2	+ 3.6	+ 3.2	40.8
Nursing care	6.3	4.5	+ 1.8	+ 40.0	2.2
<b>Group</b>	<b>281.7</b>	<b>276.0</b>	<b>+ 5.7</b>	<b>+ 2.1</b>	<b>100.0</b>

We were able to increase sales in all three segments as compared to the figures for the same nine-month period in 2005. In the post-acute segment, sales increased by EUR 0.3 mill. The number of nursing days fell by 0.3 % and the number of cases also decreased by 0.3 % as compared to the figures for the first nine months of 2005. In the acute segment, we posted a sales increase of EUR 3.6 mill. The number of cases in this segment rose by 4.5 % as compared to the number of cases in the previous year and the number of nursing days decreased by 0.6 % due to the shorter duration of stay. The number of nursing days rose by 41.3 % in the nursing care segment. The average occupancy rate in the first nine months of 2006 for these facilities was 81.1 % (basis: 385 beds), the figure for the same period in the previous year was 65.7 % (basis: 336 beds).

The per-case revenue on the basis of the figures from the first nine months in 2006 totalled EUR 3,190 in the post-acute segment and EUR 4,014 in the acute segment.

The share of outpatient care in Group revenue rose by 8.1 % to over EUR 6.0 mill. in the first nine months of the current 2006 financial year.

When sales development in the Group and in the segments are viewed in comparison with the third quarter, we see a slight drop in sales in the post-acute segment but we were able to increase sales in the acute and nursing care segments. The Group sales figure for the quarter was thus EUR 0.7 mill. higher than the figure for the third quarter of 2005.

#### Development of sales in the Group and in the segments in quarterly comparison

In millions of €	Q3 2006	Q3 2005	Change in absolute terms	Change in %	Share Q3 2006 in %
Post-acute	55.0	55.3	- 0.3	- 0.5	57.7
Acute	38.1	37.4	+ 0.7	+ 1.9	40.0
Nursing care	2.2	1.9	+ 0.3	+ 15.8	2.3
<b>Group</b>	<b>95.3</b>	<b>94.6</b>	<b>+ 0.7</b>	<b>+ 0.7</b>	<b>100.0</b>

Compared to same the nine-month period, there was a slight decrease in the number of nursing days in the post-acute and acute segments, however the number of cases in the acute area was up. The increase in nursing days in the nursing care segment highlights the continued rise in occupancy in this area.

#### Nursing days/cases in the Group and in the segments in nine-month comparison

Nursing days	9 months 2006	9 months 2005	Change in absolute terms	Change in %	Share 9 months 2006 in %
Post-acute	1,259,225	1,263,155	- 3,930	- 0.3	77.4
Acute	282,329	284,000	- 1,671	- 0.6	17.4
Nursing care	85,333	60,407	+ 24,926	+ 41.3	5.2
<b>Group</b>	<b>1,626,887</b>	<b>1,607,562</b>	<b>+ 19,325</b>	<b>+ 1.2</b>	<b>100.0</b>

Cases	9 months 2006	9 months 2005	Change in absolute terms	Change in %	Share 9 months 2006 in %
Post-acute	50,335	50,477	- 142	- 0.3	63.8
Acute	28,597	27,375	+ 1,222	+ 4.5	36.2
<b>Group (without Nursing care)</b>	<b>78,932</b>	<b>77,852</b>	<b>+ 1,080</b>	<b>+ 1.4</b>	<b>100.0</b>

The number of nursing days and cases in the post-acute segment was down in the quarterly comparison. Occupancy in particular shifted in this segment as a result of the doctors' strike among other reasons. In the acute segment, both the number of nursing days and the number of cases increased as compared to the same quarter in the previous year.

### Nursing days/cases in the Group and in the segments in quarterly comparison

Nursing days	Q3 2006	Q3 2005	Change in absolute terms	Change in %	Share Q3 2006 in %
Post-acute	428,973	437,310	- 8,337	- 1.9	77.4
Acute	94,550	92,021	+ 2,529	+ 2.7	17.1
Nursing care	30,646	25,289	+ 5,357	+ 21.2	5.5
<b>Group</b>	<b>554,169</b>	<b>554,620</b>	<b>- 451</b>	<b>- 0.1</b>	<b>100.0</b>

Cases	Q3 2006	Q3 2005	Change in absolute terms	Change in %	Share Q3 2006 in %
Post-acute	17,044	17,356	- 312	- 1.8	63.9
Acute	9,632	8,890	+ 742	+ 8.3	36.1
<b>Group (without Nursing care)</b>	<b>26,676</b>	<b>26,246</b>	<b>+ 430</b>	<b>+ 1.6</b>	<b>100.0</b>

### Result development

In the first nine months of 2006, we were able to post a Group result from operating activity that was EUR 2.2 mill. higher than the same nine-month period in the previous year. The earnings situation improved in all three segments. The pro-rata rental expense relief for the period was approximately EUR 5.3 mill. in the first nine months in 2006 (first nine months 2005: EUR 5.1 mill.).

### Group and segment results from operating activity in nine-month comparison

In millions of €	9 months 2006	9 months 2005	Change in absolute terms
Post-acute	- 1.4	- 1.8	+ 0.4
Acute	13.5	12.0	+ 1.5
Nursing care	- 0.2	- 0.5	+ 0.3
<b>Group</b>	<b>11.9</b>	<b>9.7</b>	<b>+ 2.2</b>

In the quarterly comparison, the Group result from operating activity for the third quarter of 2006 was EUR 0.8 mill. below the figure for the relevant quarter in 2005. The improvement in earnings in the acute segment was unable to fully offset the fall in earnings in the post-acute segment as compared to the same quarter in the previous year. The lower result in the post-acute segment is attributable to increased expenses for services acquired. We have started outsourcing service functions in this segment with vigour. The savings effect on the personnel expense side will only become evident in the course of time.

### Group and segment results from operating activity in quarterly comparison

In millions of €	Q3 2006	Q3 2005	Change in absolute terms
Post-acute	1.3	2.4	- 1.1
Acute	5.0	4.7	+ 0.3
Nursing care	0.0	0.0	0.0
<b>Group</b>	<b>6.3</b>	<b>7.1</b>	<b>- 0.8</b>

**Materials expense** rose by 3.4 % in the first nine months of 2006 as compared to the same nine-month period in the previous year. This is attributable to higher energy costs in particular. The materials-expense ratio increased slightly by 0.3 % points to 20.8 %.

### Expense items on the income statement in nine-month comparison

In millions of €	9 months 2006	9 months 2005	Change in absolute terms	Change in %
Raw materials and consumables used	58.6	56.7	+ 1.9	+ 3.4
Staff costs	159.5	157.5	+ 2.0	+ 1.3
Depreciation and amortisation	6.3	6.1	+ 0.2	+ 3.3
Other operating expenses	49.6	51.2	- 1.6	- 3.1

In %	9 months 2006	9 months 2005	Change in % points
Cost of materials ratio	20.8	20.5	+ 0.3
Staff costs ratio	56.6	57.1	- 0.5

**Staff costs** in the same time period rose by 1.3 %. The staff cost ratio fell by 0.5 % points to 56.6 %.

**Depreciation and amortisation** for the first nine months of 2006 were almost at the same level for the same period in the previous year. The **other operating expenses** decreased by EUR 1.6 mill. to EUR 49.6 mill.

The **financial result** improved by EUR 1.4 mill. to EUR –4.1 mill. (first nine months 2005: EUR –5.5 mill.), while interest expenses decreased by EUR 1.3 mill. This improvement is attributable to the inflow of liquidity from the sale of treasury stock and the repayment of the loan which was taken out in conjunction with the preliminary financing of the subsidies for the new construction of the clinic in Waren.

The **result before taxes and minority interests** was EUR 7.9 mill. (first nine months 2005: EUR 4.2 mill.).

The **Group result before minority interests** in the first nine months of 2006 totalled EUR 6.8 mill. (first nine months 2005: EUR 4.5 mill.). Earnings per share (undiluted and diluted) were EUR 0.21 (first nine months 2005: EUR 0.14).

#### Expense items on the income statement in quarterly comparison

In millions of €	Q3 2006	Q3 2005	Change in absolute terms	Change in %
Raw materials and consumables used	19.9	18.8	+ 1.1	+ 5.9
Staff costs	51.7	50.5	+ 1.2	+ 2.4
Depreciation and amortisation	2.1	2.1	0.0	0.0
Other operating expenses	16.3	17.7	– 1.4	– 7.9

In %	Q3 2006	Q3 2005	Change in % points
Cost of materials ratio	20.9	19.8	+ 1.1
Staff costs ratio	54.3	53.4	+ 0.9

A comparison of the expenditure items between the quarters reveals an increase in materials and staff costs of EUR 2.3 mill. compared to the same quarter in the previous year. This is attributable to higher energy costs and increased outsourcing of service functions.



## Financial performance development

Amounting to EUR 1.1 mill., **cash flow from operating activities** for the first nine months of 2006 fell substantially compared to the same nine-month period in the previous year (first nine months 2005: EUR 13.8 mill.). This is due to the settlement payments made in conjunction with the acquisition of the Hurrle Group. The **cash flow from investing activities** totalled EUR –2.5 mill. (first nine months 2005: EUR –9.1 mill.), at which point it must be noted that subsidies related to the new construction of the Müritz-Klinikum in Waren were received in 2006. These are offset against fixed assets. The funds received were used directly for loan repayment, as we are interim-financing the construction. **Cash and cash equivalents** at the end of the period totalled EUR 29.9 mill. (30.9.2005: EUR 28.1 mill.).

## Net assets development

The **balance sheet total**, as of the cut-off date 30.9.2006, was EUR 267.5 mill. and thus EUR 1.1 mill. below the figure as of 31.12.2005. **Non-current assets** amounting to EUR 178.6 mill. decreased by EUR 3.5 mill. as compared to the cut-off date 31.12.2005 (31.12.2005: EUR 182.1 mill.), primarily as a result of depreciation as well as the inflow of subsidies for the new construction of the Müritz-Klinikum in Waren.

**Current assets** increased in the first nine months of 2006 by EUR 2.4 mill. to EUR 88.9 mill., while trade receivables fell by EUR 2.8 mill. from EUR 49.2 mill. as of 31.12.2005 to EUR 46.4 mill. The other assets rose by EUR 2.0 mill. to EUR 7.8 mill. (31.12.2005: EUR 5.8 mill.), in particular due to payments made in advance. Cash and cash equivalents increased by EUR 2.9 mill. to EUR 29.9 mill. (31.12.2005: EUR 27.0 mill.) as indicated in the cash flow statement (page 17), primarily due to the favourable result.

## Balance-sheet structure

In millions of €	30.9.2006	In % of balance sheet total	31.12.2005	In % of balance sheet total
<b>Assets</b>				
Non-current assets	178.6	66.8	182.1	67.8
Current assets	88.9	33.2	86.5	32.2
	<b>267.5</b>	<b>100.0</b>	<b>268.6</b>	<b>100.0</b>
<b>Equity and liabilities</b>				
Equity	97.4	36.4	86.2	32.1
Non-current liabilities	121.6	45.5	121.5	45.2
Current liabilities	48.5	18.1	60.9	22.7
	<b>267.5</b>	<b>100.0</b>	<b>268.6</b>	<b>100.0</b>

**Equity** increased by EUR 11.2 mill. to EUR 97.4 mill. due to the improved results and the sale of treasury stock. The equity ratio was 36.4 % (31.12. 2005: 32.1 %).

**Non-current liabilities** remained almost unchanged. Liabilities to banks and insurance companies decreased from EUR 91.0 mill. to EUR 90.3 mill. Provisions of EUR 27.2 mill. are EUR 0.8 mill. higher than the figure of EUR 26.4 mill. as of 31.12. 2005. They encompass provisions for retirement benefits totalling EUR 15.3 mill. (31.12. 2005: EUR 14.4 mill.).

**Current liabilities** decreased considerably by EUR 12.4 mill., whereby trade payables dropped from EUR 11.0 mill. to EUR 7.5 mill. and the other current liabilities from EUR 43.7 mill. to EUR 34.7 mill., primarily as a result of the settlement payments made.

## Investments

In the first nine months of 2006, a total of EUR 12.3 mill. (first nine months 2005: EUR 10.3 mill.) was invested in fixed assets. As a result of the new construction of the Müritz-Klinikum, Waren, the largest share amounting to EUR 8.9 mill. was invested in the acute segment, EUR 3.1 mill. in the post-acute segment and EUR 0.3 mill. in the nursing care segment.

## Employees

In the first nine months of the current financial year, we employed an average of 5,243 staff, calculated as full-time employees. That is two more than in the same nine-month period in the previous year.

### Average number of employees in the first nine months in the nine-month comparison

Shown in full-time employees	9 months 2006	9 months 2005	Change in full-time employees	Share 9 months 2006 in %
Post-acute	3,398	3,439	- 41	64.8
Acute	1,596	1,594	+ 2	30.4
Nursing care	119	83	+ 36	2.3
Administration	130	125	+ 5	2.5
<b>Group</b>	<b>5,243</b>	<b>5,241</b>	<b>+ 2</b>	<b>100.0</b>

## Average number of employees in the quarter in the quarterly comparison

Shown in full-time employees	Q3 2006	Q3 2005	Change in full-time employees	Share Q3 2006 in %
Post-acute	3,401	3,446	- 45	64.6
Acute	1,604	1,592	+ 12	30.5
Nursing care	125	102	+ 23	2.4
Administration	135	124	+ 11	2.5
<b>Group</b>	<b>5,265</b>	<b>5,264</b>	<b>+ 1</b>	<b>100.0</b>

## Segment reporting

## Results and net assets of the segments in nine-month comparison

In millions of €	January – September 2006				January – September 2005			
	Post-acute	Acute	Nursing care	Group	Post-acute	Acute	Nursing care	Group
<b>Sales</b>	<b>160.6</b>	<b>114.8</b>	<b>6.3</b>	<b>281.7</b>	<b>160.3</b>	<b>111.2</b>	<b>4.5</b>	<b>276.0</b>
<b>Segment result</b>	<b>- 1.4</b>	<b>13.5</b>	<b>- 0.2</b>	<b>11.9</b>	<b>- 1.8</b>	<b>12.0</b>	<b>- 0.5</b>	<b>9.7</b>
Thereof non-cash items:								
Depreciations/ write-ups	3.5	7.2	0.3	11.0	3.4	7.5	0.3	11.2
Release of special items	0.0	- 4.7	0.0	- 4.7	0.0	- 5.1	0.0	- 5.1
Release of provisions/liabilities	0.5	0.2	0.0	0.7	0.3	0.4	0.0	0.7
Operational assets	134.6	89.3	0.6	224.5	139.5	91.9	0.6	232.0
Non-operational assets	-	-	-	43.0	-	-	-	39.8
<b>Assets</b>	<b>134.6</b>	<b>89.3</b>	<b>0.6</b>	<b>267.5</b>	<b>139.5</b>	<b>91.9</b>	<b>0.6</b>	<b>271.8</b>
Operational liabilities	49.6	22.6	0.3	72.5	67.4	27.3	0.3	95.0
Non-operational liabilities	-	-	-	97.6	-	-	-	94.0
<b>Liabilities</b>	<b>49.6</b>	<b>22.6</b>	<b>0.3</b>	<b>170.1</b>	<b>67.4</b>	<b>27.3</b>	<b>0.3</b>	<b>189.0</b>

We were able to increase sales slightly and improve results in the **post-acute segment** in the first nine months of 2006. A total of 803,967 nursing days was provided in the area of subsequent nursing treatment. This is 4,178 less nursing days than in the same nine-month period in the previous year. A total of 384,006 nursing days (first nine months 2005: 389,638 nursing days) was provided in the area of curative treatment and 71,252 nursing days (first nine months 2005: 65,372 nursing days) in other measures. An average of 3,398 full-time employees were employed in this segment in the first nine months of 2006 (first nine months 2005: 3,439 full-time employees).

Sales and results in the **acute segment** continued to climb. The EBIT margin is 11.8 % as compared to 10.8 % for the same period in the previous year. We employed an average of 1,596 full-time employees in the acute segment in the first nine months of 2006 (first nine months 2005: 1,594 full-time employees).

We were able to boost sales to EUR 6.3 mill. in the **nursing care segment**. The number of beds as of 30. 9. 2006 was 47 beds higher than as of 30. 9. 2005. The average number of full-time staff employed in the first nine months of 2006 rose from 83 to 119 full-time employees as compared to the same nine-month period in 2005.

### Results of the segments in quarterly comparison

In millions of €	July – September 2006				July – September 2005			
	Post-acute	Acute	Nursing care	Group	Post-acute	Acute	Nursing care	Group
<b>Sales</b>	<b>55.0</b>	<b>38.1</b>	<b>2.2</b>	<b>95.3</b>	<b>55.3</b>	<b>37.4</b>	<b>1.9</b>	<b>94.6</b>
<b>Segment result</b>	<b>1.3</b>	<b>5.0</b>	<b>0.0</b>	<b>6.3</b>	<b>2.4</b>	<b>4.7</b>	<b>0.0</b>	<b>7.1</b>
Thereof non-cash items:								
Depreciations/ write-ups	1.2	2.3	0.1	3.6	1.1	2.4	0.1	3.6
Release of special items	0.0	-1.6	0.0	-1.6	0.0	-1.6	0.0	-1.6
Release of provisions/liabilities	0.1	0.1	0.0	0.2	0.0	-0.4	0.0	-0.4

Sales in the post-acute segment in the third quarter of 2006 were EUR 0.3 mill. below the figure for the same quarter in the previous year. The segment result was also below that of the same quarter in the previous year due to the slight fall in sales and the comparably higher costs. The results for the other two segments improved as compared to the same figures for the previous year.

## **Outlook**

The MediClin Board of Management currently expects moderate sales growth and to succeed in sustaining the absolute figures in terms of performance improvement achieved in the first nine months as compared to the same nine-month period in the previous year, which will presumably be equal to a 25 % increase.

MEDICLIN Aktiengesellschaft

Frankfurt am Main  
10 November 2006

The Board of Management



## **Consolidated interim financial statements**

### **MEDICLIN Aktiengesellschaft**

for the period from 1 January 2006 to 30 September 2006

## Consolidated interim balance sheet as of 30 September 2006

### ASSETS

In thousands of €		30. 9. 2006	31. 12. 2005
<b>NON-CURRENT ASSETS</b>			
<b>Intangible assets</b>			
Concessions, licences	732		648
Goodwill	46,964		46,764
Payments on account	243		150
		<b>47,939</b>	<b>47,562</b>
<b>Property, plant and equipment</b>			
Land, landrights and buildings including buildings on third-party land	89,992		92,228
Technical equipment and machines	4,111		3,942
Other equipment, operating and office equipment	12,116		11,720
Payments on account and assets under construction	10,985		13,386
		<b>117,204</b>	<b>121,276</b>
<b>Other financial assets</b>			
Investment in stock of subsidiaries	37		37
Other loans	266		266
		<b>303</b>	<b>303</b>
<b>Deferred tax assets</b>			
		<b>13,138</b>	<b>12,938</b>
		<b>178,584</b>	<b>182,079</b>
<b>CURRENT ASSETS</b>			
<b>Inventories</b>			
		<b>4,743</b>	<b>4,530</b>
<b>Trade receivables</b>			
		<b>46,438</b>	<b>49,188</b>
<b>Other assets</b>			
Prepaid expenses	2,659		1,000
Receivables pursuant to hospital financing law	3,271		2,604
Other assets	1,894		2,179
		<b>7,824</b>	<b>5,783</b>
<b>Cash and cash equivalents</b>			
		<b>29,857</b>	<b>26,991</b>
		<b>88,862</b>	<b>86,492</b>
		<b>267,446</b>	<b>268,571</b>



**EQUITY AND LIABILITIES**

In thousands of €		30. 9. 2006	31. 12. 2005
<b>EQUITY</b>			
Subscribed capital	31,500		31,500
Capital reserve	106,674		105,020
		<b>138,174</b>	<b>136,520</b>
Revenue reserve	303		3,103
Consolidated balance sheet loss	- 42,893		- 52,353
Treasury stock	0		- 2,800
		<b>- 42,590</b>	<b>- 52,050</b>
Minority interests		1,787	1,680
		<b>97,371</b>	<b>86,150</b>
<b>NON-CURRENT LIABILITIES</b>			
<b>Non-current liabilities</b>			
Liabilities to banks and insurance companies	90,263		91,022
Bond issues	250		250
Other liabilities	2,254		2,337
		<b>92,767</b>	<b>93,609</b>
<b>Provisions</b>			
Provisions for pensions and similar commitments	15,301		14,425
Other provisions	11,907		12,019
		<b>27,208</b>	<b>26,444</b>
<b>Deferred tax liabilities</b>			
		<b>1,628</b>	<b>1,449</b>
		<b>121,603</b>	<b>121,502</b>
<b>CURRENT LIABILITIES</b>			
<b>Trade payables</b>			
		<b>7,474</b>	<b>10,971</b>
<b>Other current liabilities</b>			
Liabilities to banks	1,329		661
Liabilities pursuant to hospital financing law	11,263		11,345
Other liabilities	22,072		31,729
		<b>34,664</b>	<b>43,735</b>
<b>Other provisions</b>			
		<b>2,209</b>	<b>2,144</b>
<b>Tax liabilities</b>			
		<b>4,125</b>	<b>4,069</b>
		<b>48,472</b>	<b>60,919</b>
		<b>267,446</b>	<b>268,571</b>

## Interim consolidated profit and loss account

In thousands of €	Jan. – Sept. 2006	Jan. – Sept. 2005	July – Sept. 2006	July – Sept. 2005
<b>Sales</b>	<b>281,724</b>	<b>275,953</b>	<b>95,247</b>	<b>94,512</b>
Other operating income	4,216	5,205	1,221	1,693
<b>Total operating performance</b>	<b>285,940</b>	<b>281,158</b>	<b>96,468</b>	<b>96,205</b>
Raw material and consumables used				
a) Cost of raw materials and supplies	– 34,997	– 34,788	– 11,508	– 11,180
b) Cost of purchased services	– 23,611	– 21,876	– 8,415	– 7,572
	<b>– 58,608</b>	<b>– 56,664</b>	<b>– 19,923</b>	<b>– 18,752</b>
Staff costs				
a) Wages and salaries	– 133,692	– 132,252	– 43,441	– 42,551
b) Social security, pension and retirement	– 25,805	– 25,214	– 8,290	– 7,944
	<b>– 159,497</b>	<b>– 157,466</b>	<b>– 51,731</b>	<b>– 50,495</b>
Depreciation and amortisation	– 6,281	– 6,105	– 2,109	– 2,069
Other operating expenses	– 49,611	– 51,242	– 16,345	– 17,737
<b>Operating result</b>	<b>11,943</b>	<b>9,681</b>	<b>6,360</b>	<b>7,152</b>
Financial result				
a) Other financial revenues	438	306	151	114
b) Other financial costs	– 4,525	– 5,812	– 1,671	– 2,033
	<b>– 4,087</b>	<b>– 5,506</b>	<b>– 1,520</b>	<b>– 1,919</b>
<b>Result before tax</b>	<b>7,856</b>	<b>4,175</b>	<b>4,840</b>	<b>5,233</b>
Taxes on income	– 1,089	293	– 642	298
<b>Result after tax</b>	<b>6,767</b>	<b>4,468</b>	<b>4,198</b>	<b>5,531</b>
Result attributable to minority interests	– 107	98	– 29	54
<b>Result attributable to shareholders of MediClin</b>	<b>6,660</b>	<b>4,566</b>	<b>4,169</b>	<b>5,585</b>
<b>Earnings per share</b>				
Earnings per share undiluted (in €)	0.21	0.14	0.13	0.17
Earnings per share diluted (in €)	0.21	0.14	0.13	0.17

## Consolidated cash flow statement

In thousands of €	Jan. – Sept. 2006	Jan. – Sept. 2005
<b>Operating result (EBIT)</b>	<b>11,943</b>	<b>9,681</b>
Result of finance activities	– 4,087	– 5,506
Result of income taxes	– 1,089	293
Depreciation on fixed asset items	6,281	6,105
Change in non-current provisions	764	1,397
Change in current provisions	65	294
Result from the disposal of fixed asset items	– 48	– 17
Other non-cash income	18	0
Change in current assets	297	– 3,705
Change in non-current liabilities	179	– 53
Change in current liabilities	– 13,180	5,300
<b>Cash flow from operating activities</b>	<b>1,143</b>	<b>13,789</b>
Payments received from the disposal of fixed asset items and from investment subsidies	9,724	1,191
Cash used for investments in fixed assets	– 12,262	– 10,331
<b>Cash flow from investing activities</b>	<b>– 2,538</b>	<b>– 9,140</b>
Sales of treasury stock	4,436	0
Change in non-current financial liabilities	– 843	5,262
Change in current financial liabilities	668	17
<b>Cash flow from financing activities</b>	<b>4,261</b>	<b>5,279</b>
<b>Cash flow for the period</b>	<b>2,866</b>	<b>9,928</b>
Cash and cash equivalents at the beginning of the period	26,991	18,180
<b>Cash and cash equivalents at the end of the period</b>	<b>29,857</b>	<b>28,108</b>

## Statement of changes in equity

In thousands of €	Subscribed capital	Capital reserve	Revenue reserve	Consolidated balance sheet result	Treasury stock	Shares MediClin Group	Minority interests	Total equity
As of 1. 1. 2005	31,500	105,000	3,103	- 60,020	- 2,800	<b>76,783</b>	1,571	<b>78,354</b>
Result after tax	0	0	0	4,566	0	<b>4,566</b>	- 98	<b>4,468</b>
<b>As of 30. 9. 2005</b>	<b>31,500</b>	<b>105,000</b>	<b>3,103</b>	<b>- 55,454</b>	<b>- 2,800</b>	<b>81,349</b>	<b>1,473</b>	<b>82,822</b>

In thousands of €	Subscribed capital	Capital reserve	Revenue reserve	Consolidated balance sheet result	Treasury stock	Shares MediClin Group	Minority interests	Total equity
As of 1. 1. 2006	31,500	105,020	3,103	- 52,353	- 2,800	<b>84,470</b>	1,680	<b>86,150</b>
Result after tax	0	0	0	6,660	0	<b>6,660</b>	107	<b>6,767</b>
Sale of treasury stock	0	1,636	- 2,800	2,800	2,800	<b>4,436</b>	0	<b>4,436</b>
Allocation to reserves for option rights	0	18	0	0	0	<b>18</b>	0	<b>18</b>
<b>As of 30. 9. 2006</b>	<b>31,500</b>	<b>106,674</b>	<b>303</b>	<b>- 42,893</b>	<b>0</b>	<b>95,584</b>	<b>1,787</b>	<b>97,371</b>

## Corporate decision-making bodies

### Management Board

Dr. Ulrich Wandschneider, Chairman  
Frank Abele

### Supervisory Board

Günter Schlatter, Chairman  
Hans Hilpert\*, Vice-Chairman  
Michael Bock  
Dr. Daniel von Borries  
Gerd Dielmann\*  
Prof. Dr. Erich Donauer\*  
Peter Erni\*  
Carsten Heise  
Dr. Jochen Messemer  
Klaus Müller\*  
Dr. Hans Rossels  
Gero Schlagelambers\*

\* Employee representatives

### Committees of the Supervisory Board

#### Presidial Committee

Günter Schlatter (Chairman)  
Hans Hilpert  
Dr. Jochen Messemer  
Gero Schlagelambers

#### Audit Committee

Dr. Daniel von Borries (Chairman)  
Michael Bock  
Prof. Dr. Erich Donauer  
Carsten Heise  
Klaus Müller

#### Arbitration Committee

in acc. with Art 27 MitbestG  
(Co-determination Act)

Günter Schlatter (Chairman)  
Hans Hilpert  
Dr. Jochen Messemer  
Gero Schlagelambers

### **Advisory Board**

Dr. Jörg W. Knorn (Chairman)

Prof. Dr. Axel Ekkernkamp,  
Medical Director and Managing Director  
of the Unfallkrankenhaus Berlin

Irmtraut Gürkan,  
Business Director of the Universitätsklinikum  
Heidelberg

Dr. Brigitte Mohn,  
Managing Board Chairwoman of the Stiftung  
Deutsche Schlaganfallhilfe

Prof. Dr. Werner Müller-Fahnow,  
Chair for Supply System Research and  
Fundamentals of Quality Assurance in  
Rehabilitation, Humboldt-Universität zu Berlin

Prof. Dr. Günter Neubauer,  
Director of the Institute for Health Economics,  
Universität der Bundeswehr, Munich

Dr. Andreas Tecklenburg,  
Vice-President and Member of the Presidium  
responsible for the Division of Patient Care  
at the Medizinische Hochschule Hannover

### **Financial calendar**

26 February 2007	Presentation of the interim figures for the 2006 financial year
26 March 2007	Financial statements press and analysts' conference
10 May 2007	Publication of the interim report for the 1st quarter 2007
25 May 2007	Annual General Meeting
10 August 2007	Publication of the interim report for the 1st half-year 2007
9 November 2007	Publication of the interim report for the 1st – 3rd quarters 2007

**Key data on MediClin share**

SIN: 659 510; ISIN: DE 0006 595 101; ticker: MED

In €	Q3 2006	Q2 2006	Q1 2006	Q3 2005	Q2 2005	Q1 2005
Earnings per share undiluted	0.13	0.09	- 0.01	0.17	0.06	- 0.09
Cash flow per share	0.21	- 0.17	- 0.01	0.37	0.08	- 0.01
52-week high*	4.85	-	-	-	-	-
52-week low*	1.85	-	-	-	-	-
Share price at end of quarter*	4.00	3.95	3.20	2.20	1.89	1.89
Market capitalisation at end of quarter in millions of €	126.0	124.4	100.8	69.3	59.5	59.5
Number of shares in millions	31.5	31.5	31.5	31.5	31.5	31.5

\* Source: Deutsche Börse AG; Xetra prices; status: 30.10.2006

**MEDICLIN Aktiengesellschaft**

Investor Relations  
 Alexandra Mühr  
 c/o MediClin GmbH  
 Okenstr. 27  
 77652 Offenburg  
 Germany  
 Phone +49 (0)781 488 189  
 Fax +49 (0)781 488 184  
 E-mail alexandra.muehr@mediclin.de  
 www.mediclin.de

This interim report appears in German (original version)  
 and English (non-binding translation).

**Müritz-Klinikum, Waren/Röbel.** One of our clinics.



[www.mediclin.de](http://www.mediclin.de)