

# Q1

**Interim report MEDICLIN Aktiengesellschaft**  
for the period from 1 January 2008 to 31 March 2008



## Key data of the quarterly business development in the Group

In millions of €	Q1 2008 <sup>1</sup>	Q1 2007
Sales	109.3	94.7
Operating result (EBIT)	0.4	1.5
EBITDA margin in %	2.8	3.8
EBIT margin in %	0.4	1.6
Financial result	-1.7	-1.4
Result attributable to shareholders of MediClin	-1.5	0.2
Cash flow from operating activities	4.6	0.6
Balance sheet total	310.4	268.8
Non-current assets incl. deferred tax assets	211.7	175.8
Current assets	98.7	93.0
Thereof cash and cash equivalents	24.4	28.2
Equity	103.1	100.3
Equity ratio in %	33.2	37.3
Non-current liabilities incl. deferred tax liabilities	71.2	110.8
Current liabilities incl. tax liabilities	136.1	57.6
Gross capital expenditure	5.1	4.3
Net financial liabilities	93.9	59.3
Number of full-time employees (average)	5,772	5,230
Sales per full-time employee in €	18,938	18,109
Staff costs per full-time employee in €	10,826	10,435
Occupancy rates in %	83.1	81.4
Earnings per share undiluted in €	-0.05	0.00
Earnings per share diluted in €	-0.05	0.00
Cash flow from operating activities per share in €	0.15	0.02
Dividend per share in €	-	-
Number of shares in millions	31.5	31.5

<sup>1</sup> Including companies of Kraichgau-Klinik AG

Due to arithmetical reasons, calculation differences of +/- one unit (€, %) may occur.

Percentage rates have been determined on the basis of € values.

## Dear Shareholders, Employees, Partners and Friends of MediClin AG,

In the first three months of the new financial year, we have achieved a good deal in our operative business.

The integration of our “new” facilities is proceeding as expected. In our “old” facilities, we have further improved the quality of our medical offers and marketed these in a commensurate manner, all of which is reflected in satisfactory occupancy rates.

For example, MediClin Staufenburg Klinik, Durbach, as the first, and to date, only rehabilitation clinic in Germany, has been certified with “Expanded recognition as a treatment facility with quality management for diabetes”. It has thus received an honour reflecting the highest possible quality of treatment and support for diabetics, a patient group which is strongly growing.

An Adiposity Centre for heavyweight patients has been opened at MediClin Seepark Klinik, Bad Bodenteich. Thus, we are able to better meet frequent requests from hospitals across Germany as to whether heavyweight patients can be offered both subsequent treatment and rehabilitation. Up to 40 patients affected by this condition can now be given adequate health care. Furthermore, since March, MediClin Seepark Klinik has become a teaching hospital of the University Clinic Hamburg-Eppendorf (UKE), and thus the fourth MediClin clinic to obtain this status. In the Bad Bodenteich-based clinic, medical students will be trained in the fields of child and youth psychosomatic medicine and psychiatry. In order to improve the collaboration between our MediClin Herzzentrum Coswig and the former hospital, now called Gesundheitszentrum Bitterfeld/Wolfen, as well as make it more patient-friendly and effective, we have invested here in modern function diagnosis technology.

### **Higher costs affect results – positive operating income in Kraichgau**

In the first three months of the 2008 financial year, we attained consolidated sales revenues of EUR 109.3 mill. Without the Kraichgau-Klinik Group’s turnover of EUR 12.1 mill., sales would have been EUR 97.2 mill., and thus, some EUR 2.5 mill. or 2.7 % higher than the previous year’s figure. Approximately EUR 4.0 mill. higher costs as compared to the same quarter last year, have had a negative effect on the operating results.

### **Integration and attractive offers – our concept will soon show effects**

Over the next months, we will continue to network and interlink our new facilities within the Group, and thus improving the existing synergy effects. A special focus should be placed on the fact that in May 2008, we could open a new centre for highly precise radiation in the MediClin Robert Janker Klinik, Bonn. Our clinic is the first facility of its kind in Nordrhein-Westfalen – and one of the first clinics in Germany

equipped with this state-of-the-art technique to fight against cancer. Thus we can offer our existing cooperation partners new treatment possibilities and will surely also gain new partners. The patients will profit from these synergy effects, and from one of the most precise and safest radiation methods available.

Moreover, we plan to actively pursue our consolidation process on the market, in order to generate further growth potential for MediClin.



Dr. Ulrich Wandschneider  
Chairman of the Management Board

**Interim Group management report of  
MEDICLIN Aktiengesellschaft**  
for the period from 1 January 2008 to 31 March 2008

## Company development in the first quarter of 2008

### General information

This report on the interim financial statements of MEDICLIN Aktiengesellschaft (hereinafter also referred to as MediClin AG or MediClin) is based on the International Financial Reporting Standards (IFRS). Generally, the preparation of this interim report consists of updating the annual report. The interim report should, therefore, be read in conjunction with the annual report published for the 2007 financial year. The interim report for the first quarter of 2008 has not been reviewed by auditors. The designated values of the previous year have been determined applying the same accounting and valuation principles, in order to ensure the comparability of the public figures.

The consolidated report and the interim financial statements for the first quarter of 2008 includes the consolidated figures for Kraichgau-Klinik AG, excluding Vitalisklinik GmbH & Co. KG and its complementary company (Vitalisklinik Verwaltungs-GmbH). Within the scope of a stock purchase agreement effective as of 1 January 2008, MediClin AG acquired the majority of shares and majority voting interest in Kraichgau-Klinik AG, Bad Rappenau, including the associated operative facilities (three rehabilitation clinics and one acute-care hospital). Details on this acquisition, as well as the preliminary purchase price allocation, can be found under Investments.

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

In the first quarter of 2008, MediClin generated **Group sales** of EUR 109.3 mill. Without including the newly acquired and consolidated facilities of Kraichgau-Klinik AG, sales would have been EUR 97.2 mill., thus EUR 2.5 mill. or 2.7 % above the figure for the same quarter in the previous year.

#### Sales in the Group and in the segments in quarterly comparison

In millions of €	Q1 2008	Q1 2007	Change in %
Post-acute	57.7	52.8	+ 9.3
Acute	48.9	39.5	+ 23.8
Nursing care	2.7	2.4	+ 12.5
<b>Group</b>	<b>109.3</b>	<b>94.7</b>	<b>+ 15.4</b>

The clinics of the Kraichgau-Klinik Group contributed for a total of EUR 12.1 mill. in the overall sales.

The per-case revenue totalled EUR 3,157 (Q1 2007: EUR 3,170) in the post-acute segment and EUR 4,828 (Q1 2007: EUR 4,152) in the acute segment.

The share of outpatient health care in the Group sales was EUR 2.7 mill. (Q1 2007: EUR 2.2 mill.).

### Development of nursing days, cases and occupancy rates in the Group and in the segments

In total, the number of nursing days provided in the Group rose by 9.3 % or 50,124 days as compared to the same quarter of the previous year. The number of cases in the Group rose by 8.5 % or 2,236 cases. In the post-acute segment, due to the acquisition of Kraichgau-Klinik AG, the nursing days and cases of the rehabilitation centres in Bad Rappenau and Gernsbach were also taken into account, whereas in the acute segment, the nursing days and cases of Herzzentrum Lahr/Baden were reflected. The occupancy rates in all three segments were much higher than the occupancy rates for the same quarter of the previous year. At over 90 %, the occupancy rate in the nursing care segment was pleasing.

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

In days	Q1 2008	Q1 2007	Change in %
Post-acute	451,976	411,830	+ 9.7
Acute	101,845	95,322	+ 6.8
Nursing care	35,115	31,660	+ 10.9
<b>Group</b>	<b>588,936</b>	<b>538,812</b>	<b>+ 9.3</b>

#### Case numbers in the Group and in the segments in quarterly comparison

In cases	Q1 2008	Q1 2007	Change in %
Post-acute	18,273	16,649	+ 9.8
Acute	10,135	9,523	+ 6.4
<b>Group (without nursing care)</b>	<b>28,408</b>	<b>26,172</b>	<b>+ 8.5</b>

### Occupancy rates in the Group and in the segments in quarterly comparison

In %	Q1 2008	Q1 2007
Post-acute	82.5	80.8
Acute	83.0	82.7
Nursing care	91.4	85.4
<b>Group</b>	<b>83.1</b>	<b>81.4</b>

### Development of the operating result in the Group and in the segments

Despite substantially higher costs of approximately EUR 4.0 mill., increased sales and the positive contribution to the operating result on the part of the Kraichgau-Klinik Group led to a positive operating result.

Compared to the same quarter of the previous year, the post-acute segment was forced to carry additional rental costs of approximately EUR 1.9 mill.

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

In millions of €	Q1 2008	Q1 2007
Post-acute	- 3.3	- 2.3
Acute	3.9	3.9
Nursing care	- 0.2	- 0.1
<b>Group</b>	<b>0.4</b>	<b>1.5</b>



## Net assets, financial position and results of operation in the first quarter of 2008

### Development of net assets

The balance sheet rose by EUR 40.5 mill. to EUR 310.4 mill., which is largely attributable to the acquisition of Kraichgau-Klinik AG.

### Balance sheet structure

In millions of €	31.03.2008	In % of balance sheet total	31.12.2007	In % of balance sheet total
<b>Assets</b>				
Non-current assets	211.7	68.2	180.9	67.0
Current assets	98.7	31.8	89.0	33.0
	<b>310.4</b>	<b>100.0</b>	<b>269.9</b>	<b>100.0</b>
<b>Equity and liabilities</b>				
Equity	103.1	33.2	106.0	39.3
Non-current liabilities	71.2	22.9	52.1	19.3
Current liabilities	136.1	43.9	111.8	41.4
	<b>310.4</b>	<b>100.0</b>	<b>269.9</b>	<b>100.0</b>

**Non-current assets** rose by EUR 30.8 mill. as compared to the cut-off date on 31 December 2007. Goodwill increased by EUR 8 mill. A total of EUR 22.1 mill. was added in property, plant and equipment. The payments on account and assets under construction were reduced by EUR 5.4 mill. to EUR 14.9 mill. (31.12.2007: EUR 20.3 mill.).

The **deferred tax assets** total EUR 5.5 mill. (31.12.2007: EUR 5.3 mill.).

As for **current assets**, a total of EUR 9.2 mill. were added. Overall, cash and cash equivalents rose by EUR 3.0 mill.

**Equity** totals EUR 103.1 mill.; compared to 31 December 2007, the equity ratio decreased from 39.3 % to 33.2 % due to the increase in assets.

As a result of the first consolidation of Kraichgau-Klinik AG, among other factors, the **non-current liabilities** increased by EUR 19.1 mill. to EUR 71.2 mill. (31.12.2007: EUR 52.1 mill.). Of these, non-current liabilities to banks, listed under non-current financial liabilities,

increased by EUR 13.5 mill. to EUR 35.9 mill. (31.12.2007: EUR 22.4 mill.), and provisions for pensions and similar commitments, listed under provisions, increased by EUR 5.7 mill. to EUR 22.5 mill. (31.12.2007: EUR 16.8 mill.).

Also, largely as a result of the consolidation of Kraichgau-Klinik AG, in comparison to the cut-off date of 31 December 2007, **current liabilities** increased by EUR 24.3 mill. to EUR 136.1 mill. (31.12.2007: EUR 111.8 mill.). Liabilities to banks and insurance companies increased by EUR 14.0 mill. to EUR 82.4 mill. (31.12.2007: EUR 68.4 mill.). Other current liabilities increased by EUR 8.6 mill. to EUR 35.0 mill. (31.12.2007: EUR 26.4 mill.), and provisions increased by EUR 2.7 mill. to EUR 5.5 mill. (31.12.2007: EUR 2.8 mill.).

## Development of financial position

The **cash flow from operating activities** for the first three months of 2008 amounted to EUR 4.6 mill., representing an improvement in comparison to the same period last year (Q1 2007: EUR 0.6 mill.). The **cash flow from investing activities** totalled EUR 0.7 mill. (Q1 2007: EUR 1.2 mill.); whereby in 2008, subsidies totalling EUR 5.3 mill. flowed in (Q1 2007: EUR 5.5 mill.). These have been set off against the fixed assets. The **cash flow from financing activities** increased to EUR –4.9 mill. (Q1 2007: EUR –2.7 mill.). Due to the acquisition of the Kraichgau-Klinik Group, the financial resource fund has been increased by EUR 2.6 mill. **Cash and cash equivalents** at the end of the period amounted to EUR 24.4 mill. (Q1 2007: EUR 28.2 mill.).

## Development of results of operation

Similar to the net assets and financial position, the results of operation have been substantially influenced by the acquisition of the Kraichgau-Klinik Group.

The **raw materials and consumables used** rose by EUR 4.8 mill. as compared to the same quarter of the previous year. Of this amount, approximately EUR 3.6 mill. can be attributed to the Kraichgau-Klinik Group.

### Raw material and consumables used in quarterly comparison

	Q1 2008	Q1 2007	Change in %
Raw material and consumables used in millions of €	25.7	20.9	+ 22.9
Cost of materials ratio in %	23.5	22.1	–

**Staff costs** increased by EUR 7.9 mill., of which EUR 6.4 mill. are attributable to the consolidated Kraichgau-Klinik Group. Due to the increase in sales, the staff costs ratio decreased to 57.2 %.

**Staff costs in quarterly comparison**

	Q1 2008	Q1 2007	Change in %
Staff costs in millions of €	62.5	54.6	+ 14.5
Staff costs ratio in %	57.2	57.6	–

**Depreciation and amortisation** increased to EUR 2.6 million (Q1 2007: EUR 2.1 mill.).

**Other operating expenses** rose by EUR 2.7 mill. to EUR 19.7 mill. (Q1 2007: EUR 17.0 mill.). Here, the main influence was higher rental costs, which increased by EUR 1.9 mill., as rent reductions were discontinued starting in 2008.

The **financial result** of EUR –1.7 mill. was EUR 0.3 mill. less than the previous year's figure (Q1 2007: EUR –1.4 mill.), as a result of assuming the Kraichgau-Klinik Group debt.

The **result before taxes and minority interests** totalled EUR –1.3 mill. (Q1 2007: EUR 0.2 mill.).

The **result attributable to shareholders of MediClin** in the first quarter of 2008 was EUR –1.5 mill. (Q1 2007: EUR 0.2 mill.).

Undiluted earnings per share were EUR –0.05 (Q1 2007: EUR 0.00). Diluted earnings per share were EUR –0.05 (Q1 2007: EUR 0.00).

## Investments

**Company acquisition**

Within the scope of a stock purchase agreement effective as of 1 January 2008, MediClin AG acquired the majority of shares (75.58 %) and also the majority voting interest in Kraichgau-Klinik AG, Bad Rappenau, including the associated facilities in Baden-Württemberg and Hessen. The purchase price for the acquisition largely consists of the assumption of debts totalling EUR 30.0 mill. In addition to the contractual purchase price, additional costs for the acquisition totalling EUR 0.3 mill. were accrued.

MediClin AG is entitled to assume all balance sheet profit of Kraichgau-Klinik AG for the 2007 financial year.

Kraichgau-Klinik AG is the sole shareholder for the respective operating companies of the following facilities: Herzzentrum Lahr/Baden, Rehabilitationszentrum Gernsbach/Schwarzwald, Kraichgau-Klinik Bad Rappenau and Vitalisklinik, Bad Hersfeld.

In addition to the operative clinics, the acquisition also includes the majority of the capital in four corporate entities which act as complementary companies, as well as those of Reha-Klinik Paracelsus Bad Schwalbach GmbH & Co. KG i. L. (in liquidation), whose clinical operation has already been suspended and whose assets consist only of real estate.

	Acquired share in %
Herzzentrum Lahr/Baden GmbH & Co. KG	75.58 <sup>1</sup>
Rehabilitationszentrum Gernsbach/Schwarzwald GmbH & Co. KG	75.58 <sup>1</sup>
Kraichgau-Klinik Bad Rappenau GmbH & Co. KG	75.58 <sup>1</sup>
Kraichgau-Klinik AG	75.58
Regina Mobilien-Leasing GmbH	75.58 <sup>1</sup>
Yvonne Mobilien-Leasing GmbH	75.58 <sup>1</sup>
Reha-Klinik Paracelsus Bad Schwalbach GmbH & Co. KG	75.58 <sup>1</sup>
Rehaklinik Paracelsus Verwaltungs-GmbH	75.58 <sup>1</sup>
Vitalisklinik Bad Hersfeld GmbH & Co. KG	67.87 <sup>1</sup>
Vitalisklinik Verwaltungs-GmbH	75.58 <sup>1</sup>

<sup>1</sup> Indirect participation

Within the scope of the consolidation, the inclusion of Vitalisklinik GmbH & Co. KG, as well as its complementary company Vitalisklinik Verwaltungs-GmbH, has been waived for reasons of materiality, as the clinic will no longer be run in the Group.

In the view of MediClin AG, the interim financial statements contain all information regarding the effect of the company acquisition on the net assets, financial position and results of operations, as well as on the cash flow of MediClin AG. The investment in Vitalisklinik GmbH & Co. KG and Vitalisklinik Verwaltungs-GmbH are disclosed with a memo value under current assets.

In the scope of the Kraichgau-Klinik Group acquisition, the following preliminary asset and liability items have been determined:

In thousands of €	Book value at the time of the first consolidation	Adjustment amount	Added fair value
<b>Acquired assets</b>			
Intangible assets	552		552
Property, plant and equipment	36,127	– 9,880	26,247
Inventories	1,122		1,122
Trade receivables	3,035		3,035
Cash and cash equivalents	2,863		2,863
Other assets	3,138		3,138
Deferred taxes	0	242	242
			<b>37,199</b>
<b>Acquired liabilities</b>			
Provisions	3,994	1,529	5,523
Non-current loan liabilities	21,993		21,993
Trade payables	2,587		2,587
Current loan liabilities	10,451		10,451
Other liabilities	4,778	1,000	5,778
			<b>46,332</b>
<b>Net assets</b>			<b>– 9,133</b>
– Minority interests			1,460
+ Goodwill			7,961
<b>Purchase price</b>			<b>288</b>
Of which acquisition expenses			288
– Assumed liquid assets			2,863
<b>Cash inflow from the transaction</b>			<b>2,575</b>

The calculation of fair values for business premises was based on prompt appraisal reports. The current values for property, plant and equipment include the remaining undeveloped and non-operating property of the Reha-Klinik Paracelsus Bad Schwalbach GmbH & Co. KG, listed under its current market value of EUR 0.9 mill. This is disclosed in the balance sheet under "Assets available for sale."

The trade receivables include services totalling EUR 0.5 mill., which have not yet been billed. Other assets include other assets valued at EUR 2.4 mill., as well as prepaid expenses valued at EUR 0.7 mill.

Deferred taxes were calculated using the average tax rate of 15.825 %. These result mainly from the revaluation of the pension provisions.

The current values for provisions include pension provisions amounting to EUR 5.3 mill. and other non-current provisions totalling EUR 0.2 mill. The adjustment amount results from the revaluation of the pension provisions in compliance with IAS regulations.

The loan liabilities have the following residual terms:

In thousands of €	Total	up to 1 year	1 to 2 years	3 to 5 years	more than 5 years
Repayments	<b>32,444</b>	10,451	1,049	3,093	17,851

Other liabilities encompass other liabilities (EUR 4.2 mill.), liabilities pursuant to the hospital financing law (EUR 0.2 mill.) and tax liabilities (EUR 0.4 mill.). The adjustment amount results from possible liabilities resulting from the company acquisition.

The goodwill resulting from the acquisition mainly reflects revenue opportunities as well as expected cost savings due to synergy effects.

The goodwill can be fully attributed to Herzzentrum Lahr/Baden GmbH & Co. KG.

#### Gross additions to non-current assets in quarterly comparison

In thousands of €	Q1 2008	Q1 2007
Licenses and concessions	16	255
Goodwill	0	90
Land, buildings	465	20
Technical equipment, EDP	161	146
Operating and office equipment	1,236	1,179
Payments on account and assets under construction	3,150	2,613
Financial assets	28	3
<b>Total</b>	<b>5,056</b>	<b>4,306</b>

The higher additions to property, plant and equipment as compared to the first quarter of 2007, can mainly be attributed to payments on account and assets under construction in connection with the new construction of the Müritz-Klinikum.

## Employees

The number of employees for the first quarter of 2008, calculated on the basis of full-time staff, was 5,772 full-time employees (Q1 2007: 5,230 full-time staff).

### Number of employees in quarterly comparison

In full-time employees	Q1 2008	Q1 2007	Change
Post-acute	3,336	3,345	- 9
Acute	1,913	1,589	324
Nursing care	149	133	16
Service (incl. administration)	374	163	211
<b>Group</b>	<b>5,772</b>	<b>5,230</b>	<b>542</b>

Overall, the number of full-time employees rose by 542. Without the newly consolidated facilities of the Kraichgau-Klinik Group, the average number of full-time employees would have increased by 54.

Without including the 160 full-time employees of the consolidated Kraichgau clinics Bad Rappenau and Gernsbach, the number of full-time employees in the post-acute segment would have decreased by 169, as compared to the first quarter of 2007. This decrease mainly results from the outsourcing off of individual operational areas, such as food services, cleaning and therapy, into separate service companies.

The increase in full-time staff in the acute segment by 324 employees as compared to the first quarter of 2007, can be broken down as follows: 321 full-time employees from the newly consolidated Herzzentrum Lahr/Baden and three full-time employees from other MediClin acute facilities.

Corresponding to the further expansion in nursing care operations, the number of employees, calculated on the basis of full-time staff, increased by 16.

In the service companies, the average number of full-time employees increased by 211, as compared to the first quarter of 2007. Included are seven full-time employees from the newly consolidated Kraichgau-Klinik AG.

As compared to the first quarter of 2007, revenues per full-time employee increased by 4.6 % during the first quarter of 2008, amounting to EUR 18,938 (Q1 2007: EUR 18,109). Adjusted for increases due to the company acquisition, revenues per full-time employee amounted to EUR 18,401, which represents an increase of 1.6 %.

Staff costs per full-time employee increased by 3.8 %; these costs amounted to EUR 10,826 in the first quarter of 2008 (Q1 2007: EUR 10,435). Adjusted for increases due to the company acquisition, staff costs per full-time employee amounted to EUR 10,611, which represents an increase of 1.7 %.

### Key data per full-time employee and bed in quarterly comparison

In €	Q1 2008	Q1 2007
Sales per full-time employee	18,938	18,109
Staff costs per full-time employee	10,826	10,435
Staff costs per bed	7,910	7,390

As compared to 31 December 2007, the total number of beds, including the consolidated facilities of Kraichgau-Klinik AG is as follows,:

### Number of beds on reference date

Number of beds	31.03.2008	31.12.2007	Change in %
Post-acute	6,101	5,689	+ 7.2
Acute	1,377	1,302	+ 5.8
Nursing care	422	422	–
<b>Group</b>	<b>7,900</b>	<b>7,413</b>	<b>+ 6.6</b>

Without the newly added beds, there would have been no change in the total number of beds on the cut-off date of 31 March 2008.

An average of 159 trainees were employed in the entire Group during the first quarter of 2008 (Q1 2007: 128 trainees).



## Segment reporting

### Segment results and net assets in quarterly comparison

In millions of €	January – March 2008				January – March 2007			
	Post-acute	Acute	Nursing care	Group	Post-acute	Acute	Nursing care	Group
<b>Sales</b>	<b>57.7</b>	<b>48.9</b>	<b>2.7</b>	<b>109.3</b>	<b>52.8</b>	<b>39.5</b>	<b>2.4</b>	<b>94.7</b>
<b>Segment result</b>	<b>- 3.3</b>	<b>3.9</b>	<b>- 0.2</b>	<b>0.4</b>	<b>- 2.3</b>	<b>3.9</b>	<b>- 0.1</b>	<b>1.5</b>
Thereof non-cash items:								
Scheduled depreciations/write-ups	1.3	2.8	0.1	<b>4.2</b>	1.1	2.5	0.1	<b>3.7</b>
Unscheduled depreciations/write-ups	0.0	0.0	0.0	<b>0.0</b>	0.0	0.0	0.0	<b>0.0</b>
Release of special items	0.0	- 1.5	0.0	<b>- 1.5</b>	0.0	- 1.6	0.0	<b>- 1.6</b>
Allowances	0.0	0.0	0.0	<b>0.0</b>	0.0	0.0	0.0	<b>0.0</b>
Allocation of provisions/liabilities	8.7	9.5	0.4	<b>18.6</b>	6.1	3.7	0.2	<b>10.0</b>
Release of provisions/liabilities	- 0.1	- 0.1	0.0	<b>- 0.2</b>	- 0.2	- 0.1	0.0	<b>- 0.3</b>
Operational assets	114.4	163.6	1.0	<b>279.0</b>	103.0	124.7	0.8	<b>228.5</b>
Non-operational assets	-	-	-	<b>31.4</b>	-	-	-	<b>40.3</b>
<b>Assets</b>	<b>114.4</b>	<b>163.6</b>	<b>1.0</b>	<b>310.4</b>	<b>103.0</b>	<b>124.7</b>	<b>0.8</b>	<b>268.8</b>
Operational liabilities	51.8	32.7	0.5	<b>85.0</b>	52.0	24.0	0.5	<b>76.5</b>
Non-operational liabilities	-	-	-	<b>122.3</b>	-	-	-	<b>92.0</b>
<b>Liabilities</b>	<b>51.8</b>	<b>32.7</b>	<b>0.5</b>	<b>207.3</b>	<b>52.0</b>	<b>24.0</b>	<b>0.5</b>	<b>168.5</b>

Sales in the post-acute segment rose by EUR 4.9 mill. The result worsened by EUR 1.0 mill. to EUR -3.3 mill. (Q1 2007: EUR -2.3 mill.), which was largely attributable to rental costs, which were EUR 1.9 mill. higher.

In its **post-acute segment**, MediClin offers services encompassing both subsequent nursing treatment and curative treatment. Curative treatment also includes a full range of services for psychosomatic medicine. Taking into account the nursing days in the rehabilitation centres of Bad Rappenau and Gernsbach, the proportion of subsequent nursing treatment now lies at 61.1 % (Q1 2007: just under 64 %).

#### Nursing days in the post-acute segment by measures in quarterly comparison

In nursing days	Q1 2008	Q1 2007	Change in %	Share Q1 2008 in %
Subsequent nursing treatment	276,059	262,427	5.2	61.1
Curative treatment	152,384	127,956	19.1	33.7
Other	23,533	21,447	9.7	5.2
<b>Post-acute segment</b>	<b>451,976</b>	<b>411,830</b>	<b>9.7</b>	<b>100.0</b>

During the first quarter of 2008, an average of 3,336 full-time employees served in this segment, including the 160 full-time employees of Kraichgau-Klinik AG (Q1 2007: 3,345 full-time employees).

In the **acute segment**, sales increased by EUR 9.4 mill. or 23.8 %. The result was unchanged at EUR 3.9 mill. The EBIT margin amounted to 8.0 % (Q1 2007: 9.9 %). In the first three months of 2008, MediClin employed an average of 1,913 full-time employees in the acute segment, which includes the 321 full-time employees of Kraichgau-Klinik AG (Q1 2007: 1,589 full-time employees).

The **nursing care segment** attained sales of EUR 2.7 mill. (Q1 2007: EUR 2.4 mill.). In the first quarter of 2008, the average number of staff in this segment was 149 full-time employees (Q1 2007: 133 full-time employees).

## Opportunity and risk management report

For the first three months of the 2008 financial year, besides the acquisition of Kraichgau-Klinik AG, no other appreciable opportunities or risks have arisen, so that we can refer, in principle, to the data included in the 2007 annual report. Furthermore, no changes took place in MediClin's Opportunity and Risk Management for the first three months of 2008.

## Report concerning business with related parties

Business relationships to related parties remained unchanged in the first three months of 2008, as compared with the persons and companies disclosed in the 2007 annual report. The sales revenues and expenses were processed at normal market conditions and in the first quarter of 2008 totalled:

In millions of €	Q1 2008	Q1 2007
Leasing expenses	9.8	7.8
Land-use management costs	0.2	0.2
Real estate management income	0.1	0.1
Interest expenses	1.1	1.1

## Outlook

For the 2008 financial year, the Management Board expects moderate sales growth (not including the acquisition of the Kraichgau-Klinik Group), for a result on a par with the 2007 financial year. However, this will have to be adjusted for rising rent costs in 2008, which will total nearly EUR 8 million. Indeed, these can only partially be compensated for through the Kraichgau-Klinik Group's contribution to operating income.

MEDICLIN Aktiengesellschaft

Frankfurt am Main, 9 May 2008

The Management Board



**Consolidated interim financial statements of  
MEDICLIN Aktiengesellschaft**  
for the period from 1 January 2008 to 31 March 2008

## Consolidated interim balance sheet as of 31 March 2008

### ASSETS

In thousands of €		31.03.2008	31.12.2007
<b>NON-CURRENT ASSETS</b>			
<b>Intangible assets</b>			
Concessions, licences	1,352		966
Goodwill	53,115		45,154
Payments on account	85		89
		<b>54,552</b>	<b>46,209</b>
<b>Property, plant and equipment</b>			
Land, land rights and buildings including buildings on third-party land	113,007		90,231
Technical equipment and machines	5,056		2,422
Operating and office equipment	17,703		15,563
Payments on account and assets under construction	14,901		20,302
		<b>150,667</b>	<b>128,518</b>
<b>Other financial assets</b>			
Investment in stock of subsidiaries	69		44
Other loans	297		291
		<b>366</b>	<b>335</b>
<b>Tax refund claims</b>			
		<b>586</b>	<b>586</b>
<b>Deferred tax assets</b>			
		<b>5,538</b>	<b>5,276</b>
		<b>211,709</b>	<b>180,924</b>
<b>CURRENT ASSETS</b>			
<b>Inventories</b>			
		<b>5,831</b>	<b>4,599</b>
<b>Trade receivables</b>			
		<b>56,945</b>	<b>52,709</b>
<b>Other assets</b>			
Prepaid expenses	3,279		995
Receivables pursuant to hospital financing law	1,683		2,916
Other assets	5,618		6,313
		<b>10,580</b>	<b>10,224</b>
<b>Tax refund claims</b>			
		<b>80</b>	<b>80</b>
<b>Cash and cash equivalents</b>			
		<b>24,406</b>	<b>21,377</b>
<b>Assets available for sale</b>			
		<b>875</b>	<b>0</b>
		<b>98,717</b>	<b>88,989</b>
		<b>310,426</b>	<b>269,913</b>

**EQUITY AND LIABILITIES**

In thousands of €		31.03.2008	31.12.2007
<b>EQUITY</b>			
<b>Shares MediClin Group</b>			
Subscribed capital	31,500		31,500
Capital reserve	106,684		106,684
Revenue reserve	303		303
Consolidated balance sheet loss	- 35,771		- 34,315
		<b>102,716</b>	<b>104,172</b>
Minority interests		363	1,825
		<b>103,079</b>	<b>105,997</b>
<b>NON-CURRENT LIABILITIES</b>			
<b>Non-current financial liabilities</b>			
Liabilities to banks	35,940		22,382
Bond issues	250		250
Other financial liabilities	1,813		1,813
		<b>38,003</b>	<b>24,445</b>
<b>Provisions</b>			
Provisions for pensions and similar commitments	22,550		16,812
Other provisions	9,601		9,767
		<b>32,151</b>	<b>26,579</b>
<b>Deferred tax liabilities</b>			
		<b>1,071</b>	<b>1,056</b>
		<b>71,225</b>	<b>52,080</b>
<b>CURRENT LIABILITIES</b>			
<b>Trade payables</b>			
		<b>10,621</b>	<b>11,894</b>
<b>Current financial liabilities</b>			
Liabilities to banks and insurance companies		<b>82,352</b>	<b>68,377</b>
<b>Other current liabilities</b>			
Liabilities pursuant to hospital financing law	12,591		11,842
Other liabilities	22,389		14,557
		<b>34,980</b>	<b>26,399</b>
<b>Provisions</b>			
		<b>5,484</b>	<b>2,847</b>
<b>Tax liabilities</b>			
		<b>2,685</b>	<b>2,319</b>
		<b>136,122</b>	<b>111,836</b>
		<b>310,426</b>	<b>269,913</b>

## Interim consolidated profit and loss account

In thousands of €	January – March 2008	January – March 2007
Sales	109,308	94,710
Other operating income	1,580	1,419
<b>Total operating performance</b>	<b>110,888</b>	<b>96,129</b>
Raw material and consumables used		
a) Cost of raw materials and supplies	– 15,135	– 11,978
b) Cost of purchased services	– 10,546	– 8,924
	<b>– 25,681</b>	<b>– 20,902</b>
Staff costs		
a) Wages and salaries	– 52,905	– 46,079
b) Social security, pension and retirement	– 9,584	– 8,494
	<b>– 62,489</b>	<b>– 54,573</b>
Depreciation and amortisation	– 2,647	– 2,066
Other operating expenses	– 19,666	– 17,046
<b>Operating result</b>	<b>405</b>	<b>1,542</b>
Financial result		
a) Other financial revenues	210	185
b) Other financial costs	– 1,940	– 1,556
	<b>– 1,730</b>	<b>– 1,371</b>
<b>Result before tax</b>	<b>– 1,325</b>	<b>171</b>
Taxes on income	– 132	– 52
<b>Result after tax</b>	<b>– 1,457</b>	<b>119</b>
Result attributable to minority interests	1	36
<b>Result attributable to shareholders of MediClin</b>	<b>– 1,456</b>	<b>155</b>
<b>Earnings per share</b>		
Earnings per share undiluted (in €)	– 0.05	0.00
Earnings per share diluted (in €)	– 0.05	0.00



## Consolidated cash flow statement

In thousands of €	January – March 2008	January – March 2007
<b>Operating result (EBIT)</b>	<b>405</b>	<b>1,542</b>
Result of finance activities	– 1,730	– 1,371
Result of income taxes	– 132	– 52
<b>Total consolidated result</b>	<b>– 1,457</b>	<b>119</b>
Depreciation on fixed asset items	2,647	2,066
Change in deferred taxes	– 5	– 47
Change in non-current provisions	48	331
Change in current provisions	– 260	245
Result from the disposal of fixed asset items	– 14	– 1
Other non-cash income	0	4
Change in current assets	1,468	– 4,435
Change in current liabilities	2,206	2,351
<b>Cash flow from operating activities</b>	<b>4,633</b>	<b>633</b>
<b>Payments received from the disposal of fixed assets</b>	<b>30</b>	<b>1</b>
From the disposal of property, plant and equipment	30	1
<b>Payments received from investment subsidies</b>	<b>5,399</b>	<b>5,546</b>
From intangible assets	55	2
From property, plant and equipment	5,344	5,544
<b>Cash used for investments in fixed assets</b>	<b>– 4,697</b>	<b>– 4,306</b>
In intangible assets	– 16	– 345
In property, plant and equipment	– 4,653	– 3,958
In financial assets	– 28	– 3
<b>Cash flow from investing activities</b>	<b>732</b>	<b>1,241</b>
Addition of financial liabilities	1,058	1,208
Repayment of financial liabilities	– 5,968	– 3,907
<b>Cash flow from financing activities</b>	<b>– 4,910</b>	<b>– 2,699</b>
Consolidation scope change to the financial resource fund	2,576	0
<b>Cash flow for the period</b>	<b>3,031</b>	<b>– 825</b>
Cash and cash equivalents at beginning of period	21,377	29,063
<b>Cash and cash equivalents at end of period</b>	<b>24,408</b>	<b>28,238</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 01.01.2007	31,500	106,680	303	- 40,044	0	<b>98,439</b>	1,787	<b>100,226</b>
Total consolidated result	-	-	-	155	-	<b>155</b>	- 36	<b>119</b>
Allocation to reserves for option rights	-	4	-	-	-	<b>4</b>	-	<b>4</b>
<b>As of 31.03.2007</b>	<b>31,500</b>	<b>106,684</b>	<b>303</b>	<b>- 39,889</b>	<b>0</b>	<b>98,598</b>	<b>1,751</b>	<b>100,349</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 01.01.2008	31,500	106,684	303	- 34,315	0	<b>104,172</b>	1,825	<b>105,997</b>
Total consolidated result	-	-	-	- 1,456	-	<b>- 1,456</b>	- 1,462	<b>- 2,918</b>
<b>As of 31.03.2008</b>	<b>31,500</b>	<b>106,684</b>	<b>303</b>	<b>- 35,771</b>	<b>0</b>	<b>102,716</b>	<b>363</b>	<b>103,079</b>

## Notes

### Basic information

The unaudited consolidated interim financial statements of MEDICLIN Aktiengesellschaft, Frankfurt am Main (hereafter also referred to as MediClin AG or MediClin), for the first three months of the 2008 financial year, were prepared in accordance with the International Accounting Standard 34. In general, the same reporting and evaluation methods were utilised as in preparing the consolidated financial statements for the 2007 financial year. The statements should, therefore, be read in conjunction with the 2007 annual report published by the Company.

### Change in the consolidation scope

Within the scope of a stock purchase agreement effective as of 1 January 2008, MediClin AG acquired the majority of shares (75.58 %) and also the majority voting interest in **Kraichgau-Klinik AG**, Bad Rappenau, including associated facilities in Baden-Württemberg and Hessen. Details on this acquisition, as well as the purchase price allocation, can be found under **Investments**.

### Other information

There were no changes to the most recent disclosures as published in the 2007 annual report for the subsidiary companies of MediClin AG.

### Events occurring after the interim report period

Currently, MediClin is conducting negotiations concerning the sale of Vitalisklinik Bad Hersfeld GmbH & Co. KG as well as its complementary company, Vitalis Verwaltungs-GmbH, which will no longer be operated within the Group.

## 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\*  
Walburga Erichsmeier\*  
Carsten Heise  
Dr. Jochen Messemer  
Klaus Müller\*  
Udo Rein\*  
Dr. Hans Rossels

\* Employee representatives

### Supervisory Board Committees

#### General and Personnel Committee

Günter Schlatter (Chairman)  
Gerd Dielmann  
Hans Hilpert  
Dr. Jochen Messemer

#### Audit Committee

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

#### Mediation Committee pursuant to Section 27 MitbestG

Günter Schlatter (Chairman)  
Hans Hilpert  
Dr. Jochen Messemer  
Udo Rein

## **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-Fahrnow,  
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 (Spokesman),  
Vice President and Member of the Presidium  
Responsible for the Division of Patient Care at  
the Medizinische Hochschule Hannover

## Key data on the MediClin share

WKN: 659 510; ISIN: DE 000659 5101; ticker: MED

In €	Q 1 2008	Q 1 2007
Earnings per share undiluted	- 0.05	0.00
Cash flow from operating activities per share	0.15	0.02
52-week high <sup>1</sup>	4.90	-
52-week low <sup>1</sup>	2.04	-
Share price at end of quarter <sup>1</sup>	2.38	4.30
Market capitalisation at end of quarter in millions of €	75.0	135.5
Number of shares in millions	31.5	31.5

<sup>1</sup> Source: Deutsche Börse AG; status: 31.03.2008; Xetra prices

## Financial calendar

21 May 2008	Annual General Meeting
8 August 2008	Publication of the interim report 1st half-year 2008
7 November 2008	Publication of the interim report for the 1st–3rd quarter 2008

## Imprint

### **MEDICLIN Aktiengesellschaft**

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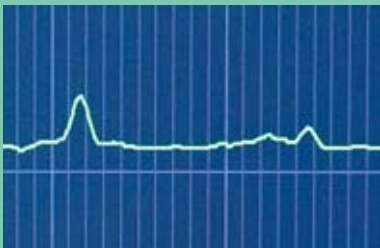
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This interim report appears in German (original version)  
and English (non-binding translation).

**MediClin Kraichgau-Klinik**



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