

Q1

Interim report MEDICLIN Aktiengesellschaft
for the period from 1 January 2010 to 31 March 2010



Key data of the quarterly business development in the Group

In millions of €	Q1 2010	Q1 2009
Sales	118.2	112.5
Operating result (EBIT)	0.0	- 0.1
EBITDA margin in %	2.8	2.6
EBIT margin in %	0.0	- 0.1
Financial result	- 1.4	- 1.4
Result attributable to shareholders of MediClin AG	- 1.6	- 1.7
Cash flow from operating activities	1.0	8.8
Balance sheet total	333.0	333.6
Non-current assets incl. tax refund claims and deferred tax assets	207.0	205.0
Current assets incl. tax refund claims	126.0	128.6
Thereof cash and cash equivalents	53.9	55.6
Equity	155.7	147.1
Equity ratio in %	46.7	44.1
Non-current liabilities incl. deferred tax liabilities	61.5	65.5
Current liabilities incl. tax liabilities	115.8	121.0
Gross capital expenditure	5.7	3.3
Net financial liabilities	27.9	31.5
Number of full-time employees (quarterly average)	5,903	5,783
Sales per full-time employee in €	20,028	19,451
Staff costs per full-time employee in €	11,522	11,136
Occupancy rates in %	86.1	84.6
Un/diluted earnings per share in €	- 0.03	- 0.04
Cash flow from operating activities per share in €	0.02	0.19
Number of shares in millions	47.50	47.25

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

< Cover: **Our future**

We want to achieve targeted growth by providing regionally networked health services and are ensuring progress through innovative integrative health care concepts.

We aim for targeted growth by integrating new care services so we can provide comprehensive care for our patients and residents. This also means strengthening our cooperation with regional partners and thus continuously improving the attractiveness of our health services for patients, referrers and coverage providers.

For us this furthermore means that we must develop new and innovative treatment options for our patients, ensure their effectiveness and optimise them for the long term.

Dear Ladies and Gentlemen,
Dear Shareholders, Staff, Partners
and Friends of MediClin AG,

We had a good start to the 2010 financial year. Group sales for the first quarter 2010 totalled EUR 118.2 mill., 5.1% above the figure for the first quarter of 2009, when we were able to achieve sales of EUR 112.5 mill. The Group occupancy rate was 86.1%, which was 1.5 percentage points higher than the occupancy rate for the same period last year. The quarterly Group operating result as well as the Group operating result attributable to the shareholders of MediClin AG were slightly above the figure for the first three months of 2009.

As a result of the increase in sales by EUR 5.7 mill. the rise in staff costs and maintenance expenditures could be offset. The increase in staff costs is largely due to new staff appointments, also in connection with the opening of our medical care centres. This year, the phase of customarily lower occupancy at the beginning of the year was used more intensively for conducting renovation work than in previous years.

Management Board and Supervisory Board propose payment of a dividend at the annual stockholders' meeting

Since the company's performance was satisfactory in 2009 and we expect slight economic growth without a drastic deterioration of the job market in 2010, the Management Board and the Supervisory Board will propose the payment of a dividend in the amount of five cents per share for the 2009 financial year at the annual stockholders' meeting on 26 May 2010.

Growth and progress

To achieve this, we also aim for internal growth. Growing internally means that we develop concepts for patient-oriented integrated care, among other things.

One of these concepts was implemented by the specialist clinic MediClin Fachklinik Rhein/Ruhr in Essen-Kettwig, where heart attack and stroke patients can receive simultaneous neurological and cardiology care in a newly installed cardiology and brain department – a good example of integrated care processes in stroke rehabilitation.

It also means that we expand our services and our existing capacities. Thus in the first quarter of 2010 we expanded the number of hospital beds in acute psychosomatic medicine in Bad Bodenteich and Bad Wildungen. Since the beginning of this year the MediClin Bosenberg Kliniken in St. Wendel have had an additional care unit for patients who require special medical attention and care after suffering a stroke. These are some examples which demonstrate that we judge the demand situation in the healthcare market correctly and that we seize our opportunities.

Outlook

It is currently impossible to predict what impact the economic development, the expected decline in employment levels, and reform efforts of the federal government in relation to the German health care sector and its care facilities will have. This also applies for the conduct of coverage providers as well as the public sector.

For the 2010 financial year, the Management Board anticipates sales on the previous year's level, as long as framework conditions in the industry do not change drastically. Achieving a result comparable with the previous year is intended, mainly through efficiency gains and stringent cost management. In relation to external growth, acquisition efforts in the acute sector are the main focus.



Dr. Ulrich Wandschneider
Chairman of the Management Board

**Interim Group management report of
MEDICLIN Aktiengesellschaft**
for the period from 1 January 2010 to 31 March 2010

Company development in the first quarter of 2010

General information

This report on the interim financial statements of MEDICLIN Aktiengesellschaft is based on the International Financial Reporting Standards (IFRS). Generally, the preparation of the interim reports consists of updating the annual reports. The present interim report for the first three months of the 2010 financial year should, therefore, be read in conjunction with the annual report published for the 2009 financial year. The interim report has not been reviewed by auditors. The figures that were disclosed for last year were determined according to the same accounting and valuation principles in order to ensure that the published figures are comparable with each other.

Development of sales in the Group and in the segments

In the first quarter of 2010, MediClin generated Group sales of EUR 118.2 mill. (Q1 2009: EUR 112.5 mill.). This represents an increase of 5.1 % over the same period last year.

Sales in the Group and in the segments in quarterly comparison

In millions of €	Q1 2010	Q1 2009	Change in %
Post-acute	66.2	63.1	+ 4.9
Acute	49.2	46.9	+ 4.9
Other activities and reconciliation	2.8	2.5	+ 12.0
thereof nursing care	2.8	2.6	+ 7.7
Group	118.2	112.5	+ 5.1

Per-case revenue (adjusted by the cases of the hybrid clinics) totalled EUR 3,378 (Q1 2009: EUR 3,298) in the post-acute segment and EUR 5,004 (Q1 2009: EUR 4,694) in the acute segment. The share of outpatient health care in the Group revenue was EUR 3.6 mill. or 3.0 % (Q1 2009: EUR 2.5 mill. or 2.3 %).

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

In the Group, the number of nursing days rose by 1.8 % or 10,655 days, and the number of cases by 1.1 % or 334 cases, as compared to the same quarter last year. The occupancy rate increased to 86.1 %, 1.5 percentage points higher than same period last year.

Nursing days rose by 9,027 days in the post-acute segment and by 1,318 days in the acute segment over the same period last year. The nursing care business area recorded an increase of 310 days.

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

In days	Q 1 2010	Q 1 2009	Change in %
Post-acute	465,964	456,937	+ 2.0
Acute	103,596	102,278	+ 1.3
Other activities (only nursing care)	33,483	33,173	+ 0.9
Group	603,043	592,388	+ 1.8

Case numbers in the post-acute and acute segments showed a different development. While the post-acute segment showed an increase of 411 cases, the number of cases in the acute segment was 77 below the figures for the same period last year.

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

In cases	Q 1 2010	Q 1 2009	Change in %
Post-acute	18,751	18,340	+ 2.2
Acute	10,694	10,771	- 0.7
Group (without nursing care)	29,445	29,111	+ 1.1

The development of the nursing days and the case numbers in the post-acute and acute segments is revealed in the corresponding development of the **occupancy rate**. The nursing care business area has shown an occupancy rate of over 90 % for years.

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

In %	Q1 2010	Q1 2009
Post-acute	86.2	83.9
Acute	84.4	86.2
Other activities (only nursing care)	91.2	90.3
Group	86.1	84.6

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

Due to the increase in sales the **Group operating result** improved by EUR 0.1 mill., despite an increase in costs compared to the same period last year. The overriding factor for the improvement was essentially the improved result for the post-acute segment totalling EUR 1.3 mill.

Group and segment results from operating activities in quarterly comparison

In millions of €	Q1 2010	Q1 2009
Post-acute	- 2.0	- 3.3
Acute	4.1	4.5
Other activities and reconciliation	- 2.1	- 1.3
Group	0.0	- 0.1

Net assets, financial position and results of operations in the first quarter of 2010

Development of net assets

Balance sheet structure

In millions of €	31.03.2010	in % of balance sheet total	31.12.2009	in % of balance sheet total
Assets				
Non-current assets	207.0	62.2	205.1	61.5
Current assets	126.0	37.8	128.7	38.5
	333.0	100.0	333.8	100.0
Equity and liabilities				
Equity	155.7	46.7	157.3	47.1
Non-current liabilities	61.5	18.5	62.1	18.6
Current liabilities	115.8	34.8	114.4	34.3
	333.0	100.0	333.8	100.0

The balance sheet total decreased by EUR 0.8 mill., or 0.2 %, as compared to 31 December 2009, which is reflected, above all, in the reduction of the current assets on the asset side, and in the reduction of the non-current financial resources on the equity and liabilities side.

An addition of EUR 1.1 mill. in intangible assets was recorded for the **non-current assets**, while property, plant and equipment (31.03.2010: EUR 147.5 mill.; 31.12.2009: EUR 146.8 mill.) showed an increase by EUR 0.7 mill. and deferred taxes (31.03.2010: EUR 5.2 mill.; 31.12.2009: EUR 5.2 mill.) remained the same.

Current assets decreased by EUR 2.6 mill. as of the cut-off date. The other assets were reduced by EUR 0.9 mill. and the cash and cash equivalents by EUR 4.6 mill. compared to the previous year's value. This was offset by increases in the trade receivables (EUR +0.3 mill.), prepaid expenses (EUR +2.2 mill.) as well as receivables pursuant to the hospital financing law (EUR +0.4 mill.).

Equity totals EUR 155.7 mill. and the equity ratio declined by 0.4 percentage points, from 47.1 % to 46.7 %, due to the offset quarterly loss of EUR 1.6 mill.

Non-current liabilities recorded a decrease by EUR 0.6 mill. due to a reduction of the non-current financial liabilities of EUR 1.1 mill. and an addition in the provisions and deferred tax liabilities of EUR 0.4 mill. and EUR 0.1 mill., respectively.

Compared to the reference date of 31 December 2009, **current liabilities** increased by EUR 1.4 mill. Essentially, a decline was recorded for trade payables (EUR –3.1 mill.), tax liabilities (EUR –1.8 mill.), other financial liabilities (EUR –0.2 mill.) as well as the liabilities pursuant to hospital financing law and provisions of EUR –0.3 mill. each. The other liabilities increased (EUR +6.4 mill.), as did the current liabilities to banks and insurance companies (EUR +0.7 mill.).

Development of financial position

The **cash flow from operating activities** for the first three months of 2010, totalling EUR 1.0 mill., declined by EUR 7.8 mill. compared to the same period last year (Q1 2009: EUR 8.8 mill.).

The **cash flow from investing activities** totalled EUR –5.1 mill. (Q1 2009: EUR –2.6 mill.). In the first three months of 2010, expenses for investments totalled EUR 5.2 mill., which was EUR 1.9 mill. above the amount for the same period last year (Q1 2009: EUR 3.3 mill.), while receivables from disposals of assets and subsidies decreased to EUR 0.1 mill. (Q1 2009: EUR 0.7 mill.).

The **cash flow from financing activities** totals EUR –0.6 mill. (Q1 2009: EUR –8.0 mill.). The change is due to the repayment of loans.

Compared to 31 March 2009, this resulted in a decrease of **cash and cash equivalents** by EUR 1.7 mill. to EUR 53.9 mill. as of 31 March 2010 (31.03.2009: EUR 55.6 mill.).

Development of results of operation

In the first three months of 2010, MediClin generated **sales** of EUR 118.2 mill. This represents a EUR 5.7 mill. or 5.1% increase over the same period last year. However, cost increases in virtually the same amount led to an almost balanced operating result, as during the same period last year. With nearly the same financial result – also compared to the same period last year – the Group result attributable to the shareholders of MediClin AG amounted to EUR –1.6 mill., which represents an increase of EUR 0.1 mill. compared to the first quarter of 2009.

The **raw materials and consumables used** increased by EUR 0.3 mill. over the same period last year. While an increase in the amount of EUR 0.7 mill. was recorded for the cost of raw materials and supplies, costs of purchased services showed a decline of EUR 0.4 mill. The increase in costs of raw materials and supplies is concerned with EUR 0.3 mill. to medical supplies, EUR 0.2 mill. to food for the kitchen and EUR 0.1 mill. to pharmaceutical products, among other expenses. Regarding the purchased services, in particular the expenditures for energy were EUR 0.7 below the amount for the same period last year.

Raw materials and consumables used in quarterly comparison

	Q1 2010	Q1 2009	Change in %
Raw materials and consumables used in millions of €	27.1	26.8	+ 1.0
Cost of materials ratio in %	22.9	23.8	–

Staff costs increased by EUR 3.6 mill., which was largely the result of the higher average size of the staff.

Staff costs in quarterly comparison

	Q1 2010	Q1 2009	Change in %
Staff costs in millions of €	68.0	64.4	+ 5.6
Staff costs ratio in %	57.5	57.3	–

Depreciation and amortisation increased by EUR 0.3 mill. to EUR 3.3 mill. (Q1 2009: EUR 3.0 mill.).

Other operating expenses increased by EUR 1.5 mill. to EUR 21.7 mill. (Q1 2009: EUR 20.2 mill.), which is largely due to greater expenses for maintenance (EUR +1.4 mill.).

The **financial result** remained the same at EUR –1.4 mill.

The **result before income taxes** totalled EUR –1.5 mill. (Q1 2009: EUR –1.5 mill.).

The **un/diluted earnings per share** were EUR –0.03 (Q1 2009: EUR –0.04). The calculation is based on the number of shares issued on the respective reporting date.

Capital Expenditure

The additions to goodwill disclosed for the first quarter of 2010 are spread across three medical care centres.

In the first three months of 2010 property, plant and equipment investments totalling EUR 4.2 mill. gross (Q1 2009: EUR 3.1 mill.) were made. An amount of EUR 0.4 mill. was transferred to the finished equipment.

Gross additions to non-current assets in quarterly comparison

In thousands of €	Q1 2010	Q1 2009
Licences, concessions	403	164
Goodwill	1,040	0
Land, buildings	26	447
Technical equipment, EDP	301	177
Operating and office equipment	3,028	1,705
Payments on account and assets under construction	881	802
Financial assets	0	3
Total	5,679	3,298

Employees

The average number of employees in the first quarter of 2010, calculated on the basis of full-time staff, was 5,903 full-time employees (Q1 2009: 5,783 full-time employees), which equals an increase of almost 2.1% compared to the same period last year. The largest increase in full-time employees was recorded in other activities in the service business area, which rose by 15.1%.

Number of employees in quarterly comparison

In full-time employees	Q 1 2010	Q 1 2009	Change
Post-acute	3,231	3,204	+ 27
Acute	1,927	1,917	+ 10
Other activities	745	662	+ 83
thereof nursing care	158	152	+ 6
thereof service (including administration)	587	510	+ 77
Group	5,903	5,783	+ 120

The Group employed an average of 189 trainees in the first quarter of 2010 (Q1 2009: 165 trainees).

In quarterly comparison, **sales per full-time employee** improved in the first quarter of 2010 by 3.0 % to EUR 20,028 (Q1 2009: 19,451 EUR).

Staff costs per full-time employee increased by 3.5 % to EUR 11,522 (Q1 2009: EUR 11,136) in the first quarter of 2010. **Staff costs per bed** rose by 5.6 % to EUR 8,647 (Q1 2009: EUR 8,185).

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

In €	Q 1 2010	Q 1 2009
Sales per full-time employee	20,028	19,451
Staff costs per full-time employee	11,522	11,136
Staff costs per bed	8,647	8,185

Altogether, the number of beds remained nearly the same, with an increase in the number of beds in the acute area (+ 46 beds) being offset by the reduction in the of number of beds in the post-acute area of approximately the same amount (– 48 beds).

Beds/nursing care places on reference date

Number	31.03.2010	31.12.2009	Change in %
Post-acute	6,069	6,117	– 0.8
Acute	1,389	1,343	+ 3.4
Nursing care (places)	408	408	0.0
Group	7,866	7,868	0.0

Segment reporting

Segment results and net assets in quarterly comparison

In millions of €	January – March 2010				
	Post-acute	Acute	Other activities	Reconciliation	Group
Sales	66.2	49.2	8.7	– 5.9	118.2
Thereof total sales	67.2	49.8	9.7	0.0	126.7
Thereof internal sales	1.0	0.6	1.0	5.9	8.5
Raw materials and consumables used	– 16.0	– 13.5	– 2.9	5.3	– 27.1
Staff costs	– 35.1	– 24.5	– 7.6	– 0.8	– 68.0
Other operating expenses	– 17.3	– 5.9	– 2.2	3.7	– 21.7
Segment result	– 2.0	4.1	– 1.4	– 0.7	0.0
Thereof non-cash items:					
Scheduled depreciations/write-ups	– 1.5	– 3.6	– 0.2	0.0	– 5.3
Unscheduled depreciations/write-ups	0.0	0.0	0.0	0.0	0.0
Release of special item	0.1	1.9	0.0	0.0	2.0
Allowances	0.0	0.0	0.0	0.0	0.0
Allocation of provisions/liabilities	– 6.8	– 4.3	– 1.7	0.0	– 12.8
Release of provisions/liabilities	0.1	0.0	0.1	0.0	0.2
Financial revenues	0.0	0.1	0.1	– 0.2	0.0
Financial costs	– 0.2	– 0.5	– 0.1	– 0.7	– 1.5
Financial result	– 0.2	– 0.4	0.0	– 0.9	– 1.5
Taxes on income	0.0	0.0	– 0.1	0.0	– 0.1
Operational assets	107.3	162.1	3.9	– 0.7	272.6
Non-operational assets					60.4
Assets	107.3	162.1	3.9	– 0.7	333.0
Operational liabilities	26.6	18.6	47.4	0.8	93.4
Non-operational liabilities					84.0
Liabilities	26.6	18.6	47.4	0.8	177.4
Gross capital expenditure	2.0	3.5	0.2	0.0	5.7

In millions of €	January – March 2009				
	Post-acute	Acute	Other activities	Reconciliation	Group
Sales	63.1	46.9	7.6	– 5.1	112.5
Thereof total sales	63.8	47.2	8.6	0.0	119.6
Thereof internal sales	0.7	0.3	1.0	5.1	7.1
Raw materials and consumables used	– 16.1	– 13.1	– 2.4	4.8	– 26.8
Staff costs	– 33.9	– 23.0	– 6.7	– 0.8	– 64.4
Other operating expenses	– 16.3	– 5.2	– 1.9	3.2	– 20.2
Segment result	– 3.3	4.5	– 1.0	– 0.3	– 0.1
Thereof non-cash items:					
Scheduled depreciations/write-ups	– 1.4	– 3.3	– 0.2	0.0	– 4.9
Unscheduled depreciations/write-ups	0.0	0.0	0.0	0.0	0.0
Release of special item	0.1	1.9	0.0	0.0	2.0
Allowances	– 0.1	0.0	0.0	0.0	– 0.1
Allocation of provisions/liabilities	– 7.1	– 4.4	– 1.6	– 0.3	– 13.4
Release of provisions/liabilities	0.1	0.0	0.0	0.4	0.5
Financial revenues	0.0	0.2	0.3	– 0.3	0.2
Financial costs	– 0.3	– 0.6	– 0.1	– 0.6	– 1.6
Financial result	– 0.3	– 0.4	0.2	– 0.9	– 1.4
Taxes on income	0.0	– 0.2	0.0	0.0	– 0.2
Operational assets	106.3	159.6	4.5	0.2	270.6
Non-operational assets					63.0
Assets	106.3	159.6	4.5	0.2	333.6
Operational liabilities	27.1	19.5	46.4	1.7	94.7
Non-operational liabilities					91.8
Liabilities	27.1	19.5	46.4	1.7	186.5
Gross capital expenditure	1.1	2.1	0.1	0.0	3.3

Sales in the **post-acute segment** could be increased by EUR 3.1 mill. or 4.9 %. This is reflected in an improvement of the segment result of EUR 1.3 mill. In this segment, MediClin offers services in both the fields of subsequent nursing treatment and curative treatment. All services in the field of psychosomatics are included in curative treatment. In the first quarter of 2010, an average of 3,231 full-time employees (Q1 2009: 3,204 full-time employees) were employed in the post-acute segment.

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

In nursing days	Q1 2010	Q1 2009	Change in %	Share Q1 2010 in %
Subsequent nursing treatment	287,209	290,242	- 1.0	61.6
Curative treatment	168,946	156,730	+ 7.8	36.3
Other	9,809	9,965	- 1.6	2.1
Post-acute segment	465,964	456,937	+ 2.0	100.0

Sales in the **acute segment** could be increased by EUR 2.3 mill. or 4.9 %. The segment result showed a decline of EUR 0.4 mill. to EUR 4.1 mill. The EBIT margin is 8.3 % (Q1 2009: 9.6 %). In the acute segment, we employed an average of 1,927 full-time employees in the first three months of 2010 (Q1 2009: 1,917 full-time employees).

In the **other activities segment**, we achieved sales of EUR 8.7 mill. (Q1 2009: EUR 7.6 mill.). Of this amount, EUR 2.8 mill. (last year: EUR 2.6 mill.) was achieved by the nursing care business area. Totalling EUR -1.4 mill., the operating result was thus EUR 0.4 mill. below the result for the same period last year (Q1 2009: EUR -1.0 mill.). During the first three months of 2010, an average of 745 full-time employees (Q1 2009: 662 full-time employees) were employed, 158 of these in the nursing care business area (Q1 2009: 152 full-time employees) and 587 in the service business area (Q1 2009: 510 full-time employees).

According to IFRS 8, a company must provide information about its degree of dependency on its most important customers. Due to its activities as a nationwide hospital operator, in the case of MediClin these are the statutory social security pension funds and the public health insurance funds, which request about 90 % of total services.

Share of specific coverage provider groups

In % of segment sales	Q1 2010	Q1 2009
Post-acute		
Public health insurance funds	37.5	39.4
Social security pension funds	52.4	50.2
Acute		
Public health insurance funds	91.9	92.8

Report concerning related parties

Business relations to related parties during the first three months of 2010 were the same as to the parties listed in the 2009 annual report. Mr. Günter Schlatter, Chairman of the Supervisory Board until 12 August 2009, was a member of the Supervisory Board of IVG Institutional Funds GmbH, Wiesbaden, with which there exist extensive leasing business dealings as well as two contracts about real estate management and property management resulting from them. The continued inclusion of IVG Institutional Funds GmbH, Wiesbaden, in the group of related parties is the result of the management of the special property "OIK-Fonds MediClin" by IVG. Münchener Rückversicherungs-Gesellschaft AG and Provinzial Rheinland Versicherung AG hold the majority stake in this special property, either directly or indirectly via companies of the Group, which gives them significant influence regarding the financial or operative decisions of IVG Institutional Funds GmbH.

Business relations to related parties are handled at standard market terms and are presented as follows:

In millions of €	Q1 2010	Q1 2009
Income		
Revenues from post-acute, acute and nursing care services	0.5	0.4
Real estate management income	0.1	0.1
Expenses		
Leasing expenses	10.2	10.1
Real estate management costs	0.2	0.2
Insurance premiums	0.2	0.2
Interest expenses	1.0	1.1
Service contracts	1.3	1.4

In millions of €	31.03.2010	31.12.2009
Receivables		
Repayment claims from preliminary financing of clinic expansions/building measures	0.1	0.4
Receivables from post-acute, acute and nursing care services	0.1	0.1
Liabilities		
to insurance companies	61.4	61.4
Service contracts	0.4	0.6

Shareholdings in MediClin AG which were reported to it according to Section 21, paragraph 1 Securities Trade Act (WpHG)

Kreissparkasse Biberach, Biberach, Germany, informed us on 17 March 2010 according to Section 21, paragraph 1 WpHG that its proportion of voting rights in MEDICLIN Aktiengesellschaft, Okenstrasse 27, 77652 Offenburg, Germany, fell below the threshold of 3 % on 10 March 2010, and has been 2.95 % (1,403,173 voting rights) of the total number of voting rights since then.

LBBW Asset Management Investmentgesellschaft mbH, Stuttgart, Germany, informed us on 12 March 2010 according to Section 21, paragraph 1 WpHG that its share of voting rights in MEDICLIN Aktiengesellschaft, Okenstrasse 27, 77652 Offenburg, Germany, fell below the threshold of 3 % on 10 March 2010, and has been 2.95 % (1,403,173 voting rights) of the total number of voting rights since then. According to Section 22, paragraph 1, clause 1, no. 6 WpHG, 2.95 % of this figure (1,403,173 voting rights) is attributable to the company.

Kreissparkasse Biberach, Biberach, Germany, informed us on behalf of the Landkreis Biberach, Biberach, Germany, on 23 April 2010 in accordance with Section 21, paragraph 1 WpHG that the share of voting rights of the Landkreis Biberach in MEDICLIN Aktiengesellschaft, Okenstrasse 27, 77652 Offenburg, Germany, fell below the 3 % threshold on 10 March 2010, and has been 2.95 % (1,403,173 voting rights) of the total number of voting rights since then. According to Section 22, paragraph 1, clause 1, no. 1 WpHG, 2.95 % of this figure (1,403,173 voting rights) is attributable to Landkreis Biberach from Kreissparkasse Biberach.

Risk and opportunity report

No new noteworthy opportunities or risks arose during the first three months of the 2010 financial year, and there were no changes in the risk and opportunity management, hence we refer to the information provided in the 2009 annual report.

Subsequent events and future prospects

Events after the interim reporting date

There were no special events after the interim reporting date which would need to be reported here.

Current economic and sector developments

The recovery of the global economy seems to be the reason for the German Institute for Economic Research (DIW) in Berlin, as well as other economic research institutes, to expect a stable economic development for Germany and a 1.7 % increase in the gross domestic product (GDP) for 2010. For 2011, it predicts an increase by 1.8 %, which is also to be supported by the growth of domestic economic activities.

In the opinion of the experts, the situation on the job market is to improve. This is primarily indicated in the declining number of short-time workers without a simultaneous rise in the number of the unemployed. An increase in employment, however, is still not in sight.

The government coalition announced that it intends to reform health care in Germany. To this end, it established a commission at the end of March which is to develop new structures. At this point it cannot be predicted to what extent the short-term programme for the reduction of costs, especially for pharmaceutical products, as presented by the Minister of Health, will be implemented and what effects it is going to have on the health market.

Outlook

It is currently impossible to predict what impact the economic development, the expected decline in employment levels, and reform efforts of the federal government in relation to the German health care sector and its care facilities will have. This also applies for the conduct of coverage providers as well as the public sector.

For the 2010 financial year, the Management Board anticipates sales on the previous year's level, as long as framework conditions in the industry do not change drastically. Achieving a result comparable with the previous year is intended, mainly through efficiency gains and stringent cost management. In relation to external growth, acquisition efforts in the acute sector are the main focus.

MEDICLIN Aktiengesellschaft

Offenburg, 11 May 2010

The Management Board

Forward-looking statements

This report contains forward-looking statements that are based on management's current expectations. Words such as "anticipate", "assume", "believe", "estimate", "intend", "can/could", "plan", "project", "should" and similar expressions are intended to identify forward-looking statements. Such statements are subject to certain risks and uncertainties that are based on the assumptions and forecasts of MediClin management. Should any of these risks and uncertainties materialise, or if the assumptions underlying any of the forward-looking statements prove incorrect, then the actual results may be materially different from those expressed or implied by such statements. MediClin does not intend or assume any obligation to continuously update these forward-looking statements, so as to adapt them to events or developments that occur after the release of this interim report.

**Consolidated interim financial statements of
MEDICLIN Aktiengesellschaft**
for the period from 1 January 2010 to 31 March 2010

Consolidated interim balance sheet as of 31 March 2010

ASSETS

In thousands of €		31.03.2010	31.12.2009
NON-CURRENT ASSETS			
Intangible assets			
Concessions, licences	1,817		1,924
Goodwill	49,470		49,080
Payments on account	961		149
		52,248	51,153
Property, plant and equipment			
Land, land rights and buildings including buildings on third-party land	113,351		114,606
Technical equipment and machines	8,952		8,989
Operating and office equipment	22,836		21,383
Payments on account and assets under construction	2,403		1,843
		147,542	146,821
Other financial assets			
Investment in stock of subsidiaries	59		59
Other loans	8		8
Reinsurance cover	1,470		1,470
		1,537	1,537
Non-current tax refund claims			
		453	453
Deferred tax assets			
		5,225	5,172
		207,005	205,136
CURRENT ASSETS			
Inventories			
		6,505	6,518
Trade receivables			
		56,601	56,320
Other current assets			
Prepaid expenses	3,512		1,313
Receivables pursuant to hospital financing law	2,403		2,011
Other assets	2,326		3,204
		8,241	6,528
Current tax refund claims			
		76	76
Cash and cash equivalents			
		53,906	58,525
Assets held for sale			
		675	675
		126,004	128,642
		333,009	333,778

EQUITY AND LIABILITIES

In thousands of €		31.03.2010	31.12.2009
EQUITY			
Shares MediClin Group			
Subscribed capital	47,500		47,500
Capital reserve	129,392		129,392
Revenue reserve	17		17
Consolidated balance sheet loss	- 21,243		- 19,647
		155,666	157,262
Minority interests			
		0	0
		155,666	157,262
NON-CURRENT LIABILITIES			
Non-current financial liabilities			
Liabilities to banks	15,077		16,123
Other financial liabilities	10,014		10,014
		25,091	26,137
Non-current provisions			
Provisions for pensions and similar commitments	26,932		26,547
Other provisions	7,668		7,672
		34,600	34,219
Deferred tax liabilities			
		1,844	1,758
		61,535	62,114
CURRENT LIABILITIES			
Trade payables			
		11,689	14,793
Current financial liabilities			
Liabilities to banks and insurance companies	66,756		66,063
Other financial liabilities	714		931
		67,470	66,994
Other current liabilities			
Liabilities pursuant to hospital financing law	7,690		7,974
Other liabilities	23,680		17,239
		31,370	25,213
Current provisions			
		4,991	5,280
Tax liabilities			
		288	2,122
		115,808	114,402
		333,009	333,778

Consolidated interim statement of comprehensive income

In thousands of €	January – March 2010	January – March 2009
I. CONSOLIDATED PROFIT AND LOSS ACCOUNT		
Sales	118,227	112,485
Other operating income	1,805	1,779
Total operating performance	120,032	114,264
Raw material and consumables used		
a) Cost of raw materials and supplies	– 15,482	– 14,749
b) Cost of purchased services	– 11,587	– 12,054
	– 27,069	– 26,803
Staff costs		
a) Wages and salaries	– 57,871	– 54,484
b) Social security, pension and retirement	– 10,144	– 9,918
	– 68,015	– 64,402
Depreciation and amortisation	– 3,301	– 2,959
Other operating expenses	– 21,671	– 20,163
Operating result	– 24	– 63
Financial result		
a) Other financial revenues	31	144
b) Other financial costs	– 1,477	– 1,590
	– 1,446	– 1,446
Result before tax	– 1,470	– 1,509
Taxes on income	– 126	– 201
Result after tax	– 1,596	– 1,710
Thereof attributable to shareholders of MediClin AG	– 1,621	– 1,677
Thereof attributable to minority interests	25	– 33
II. OTHER COMPREHENSIVE INCOME		
Offset of negative minority interests	0	0
III. OVERALL RESULT		
Thereof attributable to shareholders of MediClin AG	– 1,621	– 1,677
Thereof attributable to minority interests	25	– 33
Result after tax attributable to shareholders of MediClin AG per share		
undiluted (in €)	– 0.03	– 0.04
diluted (in €)	– 0.03	– 0.04

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 01.01.2009	47,250	129,212	17	- 27,643	0	148,836	0	148,836
Overall result	-	-	-	- 1,677	-	- 1,677	- 33	- 1,710
Adjustment of the negative minority interests	-	-	-	- 33	-	- 33	33	0
As of 31.03.2009	47,250	129,212	17	- 29,353	0	147,126	0	147,126

In thousands of €	Subscribed capital	Capital reserve	Revenue reserve	Consolidated balance sheet result	Treasury stock	Shares MediClin Group	Minority interests	Total equity
As of 01.01.2010	47,500	129,392	17	- 19,647	0	157,262	0	157,262
Overall result	-	-	-	- 1,621	-	1,621	25	- 1,596
Adjustment of the negative minority interests	-	-	-	25	-	25	- 25	0
As of 31.03.2010	47,500	129,392	17	- 21,243	0	155,666	0	155,666

Consolidated cash flow statement

In thousands of €	January – March 2010	January – March 2009
Operating result (EBIT)	– 24	– 63
Result of finance activities	– 1,446	– 1,446
Result of income taxes	– 126	– 201
Total consolidated result	– 1,596	– 1,710
Depreciation on fixed asset items	3,301	2,959
Change in deferred taxes	34	19
Change in non-current provisions	380	– 95
Change in current provisions	– 289	– 222
Result from the disposal of fixed asset items	– 44	– 2
Changes in non-current tax refund claims	0	– 6
Change in current assets	– 1,982	3,996
Change in current liabilities	1,202	3,813
Cash flow from operating activities	1,006	8,752
Payments received from the disposal of fixed assets	67	9
From the disposal of property, plant and equipment	67	9
Payments received from investment subsidies	48	716
Cash used for investments in fixed assets	– 5,170	– 3,298
In intangible assets	– 834	– 164
In property, plant and equipment	– 4,336	– 3,131
In financial assets	0	– 3
Cash flow from investing activities	– 5,055	– 2,573
Change in minority interests	0	0
Dividend distribution to shareholders of MediClin AG	0	0
Addition of financial liabilities	0	1,230
Repayment of financial liabilities	– 570	– 9,205
Cash flow from financing activities	– 570	– 7,975
Cash flow for the period	– 4,619	– 1,796
Cash and cash equivalents at beginning of period	58,525	57,384
Cash and cash equivalents at end of period	53,906	55,588

Other information

General information

The unaudited consolidated interim financial report of MEDICLIN Aktiengesellschaft for the first three months of the 2010 financial year was prepared in accordance with the International Accounting Standard (IAS) 34. The same accounting and valuation methods used in the consolidated financial statements for the 2009 financial year were also strictly applied in this interim report. The financial statements included in this interim report should therefore be read in conjunction with the Company's 2009 annual report.

Accounting regulations passed during the first quarter of 2010

The annual "Improvements to the IFRS" published by the International Accounting Standards Board (IASB) in April 2009, and the amendments concerning IFRS 2 "share-based payments" published on 18 June 2009, were announced in the Official Journal of the European Union dated 24 March 2010 and became effective on the third day after their publication.

The "Improvements to the IFRS" are intended to tighten the international accounting standards and facilitate their comprehension. Most of the amendments are clarifications or corrections of existing IFRS, or changes which were due to modifications of the IFRS made previously.

The amendments of IFRS 8, IAS 17, IAS 36 and IAS 39 contain changes in the existing requirements or additional guidelines for implementing these requirements.

The amendment to IFRS 2 clarifies the method of accounting for share-based payments where the supplier of goods or services is paid in cash and the obligation for cash settlement lies with another company of the Group (share-based payments with cash settlement by a company of the Group).

It is mandatory that the amendments be applied no later than the beginning of the first financial year following 31 December 2009.

The first time these altered standards will be applied is unlikely to have any considerable effect on the consolidated financial statements of MediClin.

On 28 January 2010 the IASB published an amendment to IFRS 1 "First-time Adoption of International Financial Reporting Standards". It relieves first-time adopters of IFRS from providing the additional disclosures introduced in March 2009 through amendments to IFRS 7 "Financial Instruments: Disclosures". The application of IFRS 7 is mandatory for the first time for financial years starting after 1 July 2010. This amendment is yet to be approved and published by the EU.

This standard is not relevant for MediClin.

Corporate decision-making bodies

Management Board

Dr. Ulrich Wandschneider, Chairman of the Management Board
Frank Abele, Chief Financial Officer

Supervisory Board

Dr. Jan Boetius, Chairman
Hans Hilpert¹, Vice Chairman
Michael Bock
Dr. Daniel von Borries
Gerd Dielmann¹
Prof. Dr. Erich Donauer¹
Carsten Heise
Dr. Jochen Messemer
Klaus Müller¹
Udo Rein¹
Uwe Rohde¹
Dr. Hans Rossels

¹ Employee representatives

Supervisory Board Committees

General and Personnel Committee

Dr. Jan Boetius, Chairman
Michael Bock
Gerd Dielmann
Prof. Dr. Erich Donauer
Hans Hilpert
Dr. Jochen Messemer

Audit Committee

Dr. Daniel von Borries, Chairman
Michael Bock
Prof. Dr. Erich Donauer
Carsten Heise
Klaus Müller
Uwe Rohde

Mediation Committee pursuant to Section 27 MitbestG

Dr. Jan Boetius, Chairman
Hans Hilpert
Dr. Jochen Messemer
Udo Rein

Nomination Committee

Dr. Jan Boetius
Carsten Heise
Dr. Hans Rossels

Advisory Board

Dr. Jörg W. Knorn, Chairman

Dr. Andreas Tecklenburg, Spokesman of the Advisory Board
Vice President and Member of the Presidium, Responsible for the Division of Patient Care
at the Medizinische Hochschule Hannover

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

Wilfried Gleitze,
former First Director of the Deutsche Rentenversicherung (DRV) Westfalen

Irmtraut Gürkan,
Business Director of the Universitätsklinikum Heidelberg

Dr. Andreas Köhler,
Chairman of the Management Board of the National Association of Statutory Health
Insurance Physicians

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

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

Key data on the MediClin share

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

In €	Q1 2010	Q1 2009
Earnings per share undiluted	- 0.03	- 0.04
Cash flow from operating activities per share	0.02	0.19
52-week high*	3.88	-
52-week low*	2.70	-
Share price at end of quarter*	3.46	2.58
Market capitalisation at end of quarter in millions of €	164.4	121.9
Number of shares in millions	47.50	47.25

* Source: Deutsche Börse AG; status: 27.04.2010; Xetra closing prices

Financial calendar

3 March 2010	Presentation of the preliminary figures for the 2009 financial year
26 March 2010	Financial statements press and analysts' conference for the 2009 financial year
11 May 2010	Publication of the interim report for the 1st quarter of 2010
26 May 2010	Annual General Meeting
11 August 2010	Publication of the interim report for the 1st half-year of 2010
10 November 2010	Publication of the interim report for the 1st – 3rd quarter of 2010

Imprint

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