

Q1

Interim report MEDICLIN Aktiengesellschaft
for the period from 1 January 2011 to 31 March 2011



Key data of the quarterly business development in the Group

In millions of €	Q1 2011	Q1 2010
Sales	120.0	118.2
Operating result (EBIT)	-0.5	0.0
EBITDA margin in %	2.6	2.8
EBIT margin in %	-0.4	0.0
Financial result	-1.3	-1.4
Result attributable to shareholders of MediClin AG	-2.0	-1.6
Cash flow from operating activities	4.2	1.0
Balance sheet total	335.7	333.0
Non-current assets incl. tax refund claims and deferred tax assets	210.7	207.0
Current assets incl. tax refund claims	125.0	126.0
Thereof cash and cash equivalents	49.5	53.9
Equity	162.9	155.7
Equity ratio in %	48.5	46.7
Non-current liabilities incl. deferred tax liabilities	55.4	61.5
Current liabilities incl. tax liabilities	117.4	115.8
Gross capital expenditure	3.8	5.7
Net financial debt	28.0	27.9
Number of full-time employees (quarterly average)	6,034	5,903
Sales per full-time employee in €	19,884	20,028
Staff costs per full-time employee in €	11,755	11,522
Occupancy rates in %	83.4	86.1
Un/diluted earnings per share in €	-0.04	-0.03
Cash flow from operating activities per share in €	0.09	0.02
Number of shares in millions	47.50	47.50

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

< Cover **Initiative quality medicine**

Efficiency, a focus on results and transparency are the basic principles of therapy optimisation.

With EDP-based data collection for the systematic measurement and evaluation of treatment results in rehabilitation, we are influencing the enhancement of therapy concepts and therapy standards on a Group-wide basis. We are also securing therapeutic quality with measurable results.

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

Sales and revenues are traditionally low in the first quarter of a new financial year. This year, occupancy rates in the first weeks of the 2011 financial year were lower than the high values for the same period last year, i.e. during the first quarter of 2011, the Group occupancy rate was 83.4 %, as compared to 86.1 % for the first quarter of 2010. Consolidated sales amounted to EUR 120.0 mill., a figure which was EUR 1.8 mill. or 1.5 % above the same quarter last year. The consolidated operating result of EUR –0.5 mill. was EUR 0.5 mill. less than the previous year's value. The result attributable to the shareholders of MediClin AG amounted to EUR –2.0 mill.

If we examine the segments, sales in the post-acute segment amounted to EUR 66.3 mill., or were EUR 0.1 mill. higher than the previous year's value. Costs including depreciation and amortisation rose as compared to the same period last year by EUR 1.7 mill., leading to a decrease in the segment result, from EUR –2.0 mill. to EUR –3.3 mill. Sales in the acute segment increased by EUR 1.2 mill. to EUR 50.4 mill. Here the revenues could offset the higher costs, so that the segment result improved from EUR 4.1 mill. to EUR 4.6 mill. In both segments, staff costs are the largest cost item representing 54.3 % (post-acute) and 51.4 % (acute) of segment sales – rising the most in absolute terms due, among other factors, to personnel recruitment.

In the post-acute segment, the lower indication-based reference values, decreed by the German statutory pension insurance scheme since the end of 2010 for the average length of patient stay, have had an effect. An altered authorisation procedure for certain indications also led to a decrease in the number of nursing days in the first quarter – both led to decreased revenues. There are no signs, however, that there will be lower utilisation of budgets in 2011 on the part of the coverage providers.

This year as well, the Management Board and Supervisory Board would like to propose payment of a dividend at the annual general meeting

Since the Company's performance continued to be satisfactory in 2010, and as the Management Board and Supervisory Board expect both a stable economic situation and job market in 2011, the Management Board and the Supervisory Board will propose the payment of a dividend in the amount of five cents per share for the 2010 financial year at the annual general meeting on 26 May 2011.

Public takeover bid of Asklepios Kliniken GmbH for EUR 4.24 per share

On 24 March 2011, Asklepios Kliniken GmbH published documents pertaining to its takeover bid. These documents indicate that the two principal shareholders of MediClin, ERGO Versicherungsgruppe AG and Provinzial Rheinland Lebensversicherung AG, have both followed a non-committal obligation, i.e. that they will

not accept the takeover bid. The non-committal obligation of Provinzial Rheinland Lebensversicherung AG is based on a purchase bid for the number of MediClin shares held in January 2009 at EUR 3.78 per share. This purchase bid, terminable on 31 March 2011, has since been extended.

The joint statement of the Management Board and the Supervisory Board, as well as the statement of the Group Works Council, was duly published on 5 April 2011 on our homepage www.mediclin.de, and can be viewed there. The statement includes the results of the examination concerning the amount of the bid price per share and includes recommendations for short-term and long-term investors.

Main topics for 2011

In 2011, the topic of quality, especially the quality of results in all areas of the Group, will remain in focus and be enhanced.

In other words, performance and progress in medicine, therapy and nursing care, as well as in all the service areas, will become measurable through the appropriate benchmarking. This will allow us to act and assist in a targeted manner.

This also means that our clinics will face the requirements of the nationwide quality portal for private clinics, fulfilling some 400 quality indicators related to medical quality, patient safety, patient satisfaction and referring physician satisfaction. Six of our eight acute clinics are now members of this quality portal.

Recruitment and employee loyalty are spheres which will be focused on in 2011, as qualified and motivated employees make a substantial contribution to corporate success.

Outlook

In 2011, MediClin will invest in internal growth, and as far as the framework conditions of the industry and the referral behaviour of the coverage providers do not seriously alter in 2011, the Management Board expects a slight increase in turnover as well as operating results comparable to the previous year.

In terms of external growth, acquisition efforts will be focused on the acute sector.



Dr. Ulrich Wandschneider
Chairman of the Management Board

**Interim Group management report of
MEDICLIN Aktiengesellschaft**

for the period from 1 January 2011 to 31 March 2011

Company development in the first quarter of 2011

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 2011 financial year should, therefore, be read in conjunction with the annual report published for the 2010 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 2011, MediClin generated Group sales of EUR 120.0 mill. (Q1 2010: EUR 118.2 mill.). This represents an increase of EUR 1.8 mill. or 1.5 % over the value of the same period last year.

Sales in the Group and in the segments in quarterly comparison

In millions of €	Q1 2011	Q1 2010	Change in %
Post-acute	66.3	66.2	+0.2
Acute	50.4	49.2	+2.4
Other activities and reconciliation	3.3	2.8	+17.9
thereof nursing care	2.9	2.8	+3.6
Group	120.0	118.2	+1.5

Per-case revenues, adjusted for hybrid clinic cases and sales from the medical care centres, totalled EUR 3,441 (Q1 2010: EUR 3,382) in the post-acute segment and EUR 4,958 (Q1 2010: EUR 4,874) in the acute segment. The share of outpatient health care in the Group revenue was EUR 3.9 mill. or 3.2 % (Q1 2010: EUR 3.6 mill. or 3.0 %), of which EUR 2.0 mill. (Q1 2010: EUR 1.5 mill.) was attributed to the medical care centres.

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

In the Group, the number of accomplished nursing days decreased by 1.4 % or 8,572 days, and the number of cases decreased by 1.2 % or 353 cases, as compared to the same quarter last year. This led to a decrease of the occupancy rate by 2.7 percentage points to 83.4 %. However, the developments were different for the segments. While the number of nursing days in the post-acute sector was 13,035 days below the value of the same period last year, the acute sector registered an increase of 3,222 nursing days and the nursing care business area an increase of 1,241 nursing days.

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

In days	Q 1 2011	Q 1 2010	Change in %
Post-acute	452,862	465,897	-2.8
Acute	106,715	103,493	+3.1
Other activities (only nursing care)	34,725	33,484	+3.7
Group	594,302	602,874	-1.4

The development of the case numbers also displayed a similar pattern. The post-acute segment showed a decrease of 425 cases and the acute segment an increase of 72 cases.

Cases in the Group and in the segments in quarterly comparison

In cases	Q 1 2011	Q 1 2010	Change in %
Post-acute	18,305	18,730	-2.3
Acute	10,714	10,642	+0.7
Group (without nursing care)	29,019	29,372	-1.2

Due to the negative development of the nursing days and case numbers in the post-acute segment, as compared to the same period last year, the **occupancy rate** in this segment also decreased by 4.0 percentage points. In the acute segment and the nursing care business area, on the other hand, the occupancy rates rose by 1.0 and 3.4 percentage points, respectively.

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

In %	Q1 2011	Q1 2010
Post-acute	82.2	86.2
Acute	85.3	84.3
Other activities (only nursing care)	94.6	91.2
Group	83.4	86.1

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

Despite the EUR 1.8 mill. increase in Group revenue, the **Group operating result** for the first quarter of 2011 was EUR 0.5 mill. less than the same period last year due to stronger increased costs. Decisive here were primarily higher quarter-on-quarter staff costs (EUR +2.9 mill.), an increase in depreciation and amortisation (EUR +0.4 mill.) and higher other operating expenses (EUR +0.5 mill.).

Group and segment results from operating activities in quarterly comparison

In millions of €	Q1 2011	Q1 2010
Post-acute	-3.3	-2.0
Acute	4.6	4.1
Other activities and reconciliation	-1.8	-2.1
Group	-0.5	0.0

Net assets, financial position and results of operations in the first quarter of 2011

Development of net assets

Balance sheet structure

In millions of €	31.03.2011	in % of balance sheet total	31.12.2010	in % of balance sheet total
Assets				
Non-current assets	210.7	62.8	210.8	62.7
Current assets	125.0	37.2	125.6	37.3
	335.7	100.0	336.4	100.0
Equity and liabilities				
Equity	162.9	48.5	165.0	49.1
Non-current liabilities	55.4	16.5	56.3	16.7
Current liabilities	117.4	35.0	115.1	34.2
	335.7	100.0	336.4	100.0

The **balance sheet total** decreased by EUR 0.7 mill., or 0.2 %, as compared to 31 December 2010, which is reflected, above all, in the reduction of the current assets on the asset side, and in the reduction of the non-current liabilities on the equity and liabilities side.

An addition of EUR 0.1 mill. in intangible assets was recorded for the **non-current assets**, while property, plant and equipment (31.03.2011: EUR 150.1 mill.; 31.12.2010: EUR 150.3 mill.) decreased by EUR 0.2 mill. and deferred taxes remained nearly the same at EUR 5.0 mill.

Current assets decreased by EUR 0.6 mill. as of the cut-off date. Primarily trade receivables (EUR –3.3 mill.) and other assets (EUR –1.2 mill.) were reduced as compared to the previous year's value. This was offset by increases in prepaid expenses (EUR +1.8 mill.), receivables pursuant to the hospital financing law (EUR +0.5 mill.) and cash and cash equivalents (EUR +1.6 mill.).

Equity totalled EUR 162.9 mill. and the equity ratio decreased by 0.6 percentage points, from 49.1 % to 48.5 %, due to the offset quarterly loss.

Non-current liabilities decreased by EUR 0.9 mill. due to a reduction of the non-current financial liabilities (EUR –1.2 mill.) and an increase in the provisions and deferred tax liabilities (EUR +0.3 mill. and EUR +0.1 mill., respectively).

Compared to the reference date of 31 December 2010, **current liabilities** increased by a total of EUR 2.3 mill. Essentially, an increase was recorded for other liabilities (EUR +6.7 mill.), the current liabilities to banks and insurance companies (EUR +1.0 mill.) and the liabilities pursuant to the hospital financing law (EUR +1.2 mill.), while trade payables (EUR –4.5 mill.), current provisions (EUR –2.1 mill.) and current tax liabilities (EUR –0.1 mill.) all decreased.

Development of the financial position

The **cash flow from operating activities** for the first three months of 2011, totalling EUR 4.2 mill., improved by EUR 3.2 mill. as compared to the same period last year (Q1 2010: EUR 1.0 mill.).

The **cash flow from investing activities** totalled EUR –2.4 mill. (Q1 2010: EUR –5.1 mill.). In the first three months of 2011, expenses for investments totalled EUR 2.9 mill., which was EUR 2.3 mill. less than the amount for the same period last year (Q1 2010: EUR 5.2 mill.), while payments received from disposals of assets and subsidies increased to EUR 0.5 mill. (Q1 2010: EUR 0.1 mill.).

The **cash flow from financing activities** totalled EUR –0.2 mill. (Q1 2010: EUR –0.6 mill.). The change is due to the repayment of loans.

Compared to 31 December 2010, this resulted in an increase of **cash and cash equivalents** by EUR 1.6 mill. to EUR 49.5 mill. as of 31 March 2011 (31.12.2010: EUR 48.0 mill.).

Development of results of operation

In the first three months of 2011, MediClin generated **Group sales** of EUR 120.0 mill. This represents an increase of EUR 1.8 mill. or 1.5 % over the same period last year. However, this was offset by staff cost increases of EUR 2.9 mill., higher depreciation and amortisation (EUR +0.4 mill.) and other operating expenses which were also higher (EUR +0.5 mill.). Despite the rise in other operating income, which was EUR 1.4 mill. higher than the same period last year, as well as EUR 0.2 mill. lower raw materials and consumables used, the Group operating result, at EUR –0.5 mill., was EUR 0.5 mill. less than the value for the first quarter of the previous year.

With a financial result that was EUR 0.1 mill. higher – also compared to the same period last year – the quarterly Group result attributable to the shareholders of MediClin AG amounted to EUR –2.0 mill., which represents a decrease of EUR 0.4 mill. as compared to the first quarter of 2010.

Totalling EUR 26.9 mill., the **raw materials and consumables used** decreased by EUR 0.2 mill. as compared to the same period last year. While a EUR 0.7 mill. decrease was recorded for the cost of raw materials and supplies, the costs of purchased services showed an increase of EUR 0.5 mill., which is primarily attributable to surplus purchases of medical services.

Raw materials and consumables used in quarterly comparison

	Q 1 2011	Q 1 2010	Change in %
Raw materials and consumables used in millions of €	26.9	27.1	–0.7
Cost of materials ratio in %	22.4	22.9	–

Staff costs of EUR 70.9 mill. increased by EUR 2.9 mill., which in a quarterly comparison was also the result of the higher average size of the staff during the first quarter of 2011.

Staff costs in quarterly comparison

	Q 1 2011	Q 1 2010	Change in %
Staff costs in millions of €	70.9	68.0	+4.3
Staff costs ratio in %	59.1	57.5	–

Depreciation and amortisation increased by EUR 0.4 mill. to EUR 3.7 mill. (Q1 2010: EUR 3.3 mill.).

Other operating expenses increased by EUR 0.5 mill. to EUR 22.2 mill. (Q1 2010: EUR 21.7 mill.), which was largely due to greater expenses for rents and leases (EUR +0.4 mill.).

The **financial result** improved by EUR 0.1 mill. to EUR –1.3 mill. (Q1 2010: EUR –1.4 mill.).

The **result before income taxes** totalled EUR –1.8 mill. (Q1 2010: EUR –1.5 mill.), the result attributable to shareholders of MediClin AG totalled EUR –2.0 mill. (Q1 2010: EUR –1.6 mill.).

The **un/diluted earnings per share** were EUR –0.04 (Q1 2010: EUR –0.03).

Capital expenditure

In the first three months of 2011, investments in non-current assets were made totalling a gross amount of EUR 3.8 mill. (Q1 2010: EUR 5.7 mill.).

Gross additions to non-current assets in quarterly comparison

In thousands of €	Q1 2011	Q1 2010
Licences, concessions	248	403
Goodwill	200	1,040
Land, buildings	366	26
Technical equipment, EDP	65	301
Operating and office equipment	2,431	3,028
Payments on account and assets under construction	537	881
Total	3,847	5,679

Employees

The average number of employees in the first quarter of 2011, calculated on the basis of full-time staff, was 6,034 full-time employees (Q1 2010: 5,903 full-time employees), which represents an increase of 2.2 % compared to the same period last year. The largest increase in full-time employees was recorded in the service business area, which is primarily due to the assumption of catering services. In the acute segment, the development of the medical care centres ran as planned.

Number of employees in quarterly comparison

In full-time employees	Q1 2011	Q1 2010	Change
Post-acute	3,208	3,231	-23
Acute	1,976	1,927	+49
Other activities	850	745	+105
thereof nursing care	152	158	-6
thereof service (including administration)	698	587	+111
Group	6,034	5,903	+131

The Group employed an average of 210 trainees in the first quarter of 2011 (Q1 2010: 189 trainees).

Due to the strong rise in number of employees in the quarterly comparison (calculated on the basis of full-time staff), **sales per full-time employee** decreased in the first quarter of 2011 by 0.7 % to EUR 19,884 (Q1 2010: EUR 20,028) and the **staff costs per full-time employee** rose by 2.0 %. These were calculated at EUR 11,755 in the first quarter of 2011 (Q1 2010: EUR 11,522).

Key data per full-time employee in quarterly comparison

In €	Q1 2011	Q1 2010
Sales per full-time employee	19,884	20,028
Staff costs per full-time employee	11,755	11,522

Altogether, the number of beds remained nearly the same, with an increase in the number of beds in the acute segment (+17 beds) being offset by the reduction in the number of beds in the post-acute segment (-25 beds).

Beds/nursing care places on reference date

Number	31.03.2011	31.12.2010	Change in %
Post-acute	6,119	6,144	-0.4
Acute	1,416	1,399	+1.2
Nursing care (places)	408	408	0.0
Group	7,943	7,951	-0.1

Segment reporting

Segment results and net assets in quarterly comparison

In millions of €	January – March 2011					
	Post-acute	Acute	Other activities	Subtotal	Reconciliation	Total
Sales	66.3	50.4	9.7	126.4	-6.4	120.0
Thereof total sales	67.3	50.9	10.6	128.8	0.0	128.8
Thereof internal sales	1.0	0.5	0.9	2.4	6.4	8.8
Raw materials and consumables used	-16.2	-13.7	-3.1	-33.0	6.1	-26.9
Staff costs	-36.0	-25.9	-8.2	-70.1	-0.8	-70.9
Other operating expenses	-17.6	-6.0	-2.1	-25.7	3.5	-22.2
Segment result	-3.3	4.6	-1.0	0.3	-0.8	-0.5
Thereof non-cash items:						
Scheduled depreciations/write-ups	-1.8	-3.6	-0.3	-5.7	0.0	-5.7
Unscheduled depreciations/write-ups	0.0	0.0	0.0	0.0	0.0	0.0
Release of special item	0.1	1.9	0.0	2.0	0.0	2.0
Allowances	-0.1	0.0	0.0	-0.1	0.0	-0.1
Allocation of provisions/liabilities	-7.0	-4.4	-1.6	-13.0	0.1	-12.9
Release of provisions/liabilities	0.8	1.0	0.0	1.8	0.0	1.8
Financial revenues	0.0	0.1	0.0	0.1	-0.1	0.0
Financial costs	-0.3	-0.4	-0.1	-0.8	-0.5	-1.3
Financial result	-0.3	-0.3	-0.1	-0.7	-0.6	-1.3
Taxes on income	0.0	-0.1	-0.1	-0.2	0.0	-0.2
Assets	110.4	166.6	4.7	281.7	54.0	335.7
Liabilities	25.1	19.6	47.1	91.8	81.0	172.8
Gross capital expenditure	1.3	2.3	0.2	3.8	0.0	3.8

In millions of €	January – March 2010					
	Post-acute	Acute	Other activities	Subtotal	Reconciliation	Total
Sales	66.2	49.2	8.7	124.1	-5.9	118.2
Thereof total sales	67.2	49.8	9.7	126.7	0.0	126.7
Thereof internal sales	1.0	0.6	1.0	2.6	5.9	8.5
Raw materials and consumables used	-16.0	-13.5	-2.9	-32.4	5.3	-27.1
Staff costs	-35.1	-24.5	-7.6	-67.2	-0.8	-68.0
Other operating expenses	-17.3	-5.9	-2.2	-25.4	3.7	-21.7
Segment result	-2.0	4.1	-1.4	0.7	-0.7	0.0
Thereof non-cash items:						
Scheduled depreciations/write-ups	-1.5	-3.6	-0.2	-5.3	0.0	-5.3
Unscheduled depreciations/write-ups	0.0	0.0	0.0	0.0	0.0	0.0
Release of special item	0.1	1.9	0.0	2.0	0.0	2.0
Allowances	0.0	0.0	0.0	0.0	0.0	0.0
Allocation of provisions/liabilities	-6.8	-4.3	-1.7	-12.8	0.0	-12.8
Release of provisions/liabilities	0.1	0.0	0.1	0.2	0.0	0.2
Financial revenues	0.0	0.1	0.1	0.2	-0.2	0.0
Financial costs	-0.2	-0.5	-0.1	-0.8	-0.7	-1.5
Financial result	-0.2	-0.4	0.0	-0.6	-0.9	-1.5
Taxes on income	0.0	0.0	-0.1	-0.1	0.0	-0.1
Assets	107.3	162.1	3.9	273.3	59.7	333.0
Liabilities	26.6	18.6	47.4	92.6	84.8	177.4
Gross capital expenditure	2.0	3.5	0.2	5.7	0.0	5.7

At EUR 66.3 mill., sales in the **post-acute segment** were slightly above the value of the first quarter of 2010, despite the decline in the number of nursing days and cases. Altogether, the costs allocated to the segment (raw material and consumables used, staff costs and other operating expenses), which totalled EUR 69.8 mill., were EUR 1.4 mill. higher than the value for the same period last year (Q1 2010: EUR 68.4 mill.). The staff cost ratio rose to 54.3 % (Q1 2010: 53.1 %). Thus the segment result for the first quarter of 2011 was EUR –3.3 mill. (Q1 2010: EUR –2.0 mill.).

In the post-acute segment, MediClin offers services in both the fields of subsequent nursing treatment and curative treatment. All services in the field of psychosomatics are included within the scope of curative treatment. In the first quarter of 2011, 65.7 % of the nursing days (Q1 2010: 61.6 %) were used for subsequent nursing treatment.

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

In nursing days	Q1 2011	Q1 2010	Change in %	Share Q1 2011 in %
Subsequent nursing treatment	297,368	287,064	+3.6	65.7
Curative treatment	145,084	169,017	–14.2	32.0
Other	10,410	9,816	+6.1	2.3
Post-acute segment	452,862	465,897	–2.8	100.0

In the first quarter of 2011, an average of 3,208 full-time employees (Q1 2010: 3,231 full-time employees) were employed in the post-acute segment.

Sales in the **acute segment** could be increased by EUR 1.2 mill. or 2.4 % to EUR 50.4 mill. (Q1 2010: EUR 49.2 mill.). This sales increase was able to offset the rising costs. Quarter-on-quarter staff costs rose in this segment as well, due the higher number of medical care centres, so that the staff cost ratio was 51.4 % (Q1 2010: 49.8 %). The segment result increased by EUR 0.5 mill. to EUR 4.6 mill. (Q1 2010: EUR 4.1 mill.). The EBIT margin was 9.0 % (Q1 2010: 8.4 %).

In the acute segment, we employed an average of 1,976 full-time employees in the first three months of 2011 (Q1 2010: 1,927 full-time employees).

In the **other activities segment**, we achieved sales of EUR 9.7 mill. (Q1 2010: EUR 8.7 mill.). Of this amount, EUR 2.9 mill. (Q1 2010: EUR 2.8 mill.) was achieved by the nursing care business area.

During the first three months of 2011, an average of 850 full-time employees (Q1 2010: 745 full-time employees) were on staff; 152 of these in the nursing care business area (Q1 2010: 158 full-time employees) and 698 in the service business area (Q1 2010: 587 full-time employees).

Share of specific coverage provider groups

According to IFRS (IFRS 8.34 Information about major customers), 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. Supervision and control of sales with the coverage providers by the Management Board is carried out with the help of monthly statistics on the coverage providers, which documents the services invoiced to the individual coverage providers on the basis of nursing days provided. Based on these statistics, 41.9 % (Q1 2010: 37.5 %) of the services are requested by the public health insurance funds, and 47.5 % (Q1 2010: 52.4 %) are requested by the social security pension funds in the post-acute segment. In the acute segment, 91.2 % (Q1 2010: 91.9 %) of the services are requested by the public health insurance funds.

Report concerning related parties

Business relations to related parties and companies during the first three months of 2010 were the same as to the parties and companies listed in the 2010 annual report. Business relations to related parties and companies are handled at standard market terms and are presented as follows:

In millions of €	Q1 2011	Q1 2010
Income		
Revenues from post-acute, acute and nursing care services	0.4	0.5
Real estate management income	0.1	0.1
Expenses		
Leasing expenses	10.3	10.2
Real estate management costs	0.2	0.2
Insurance premiums	0.2	0.2
Interest expenses	1.0	1.0
Service contracts	1.1	1.3
In millions of €	31.03.2011	31.12.2010
Receivables		
Repayment claims from preliminary financing of clinic expansions/building measures	0.6	1.4
Receivables from post-acute, acute and nursing care services	0.2	0.2
Liabilities		
to insurance companies	61.4	61.4
Service contracts	0.1	0.8

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

In accordance with Section 21, paragraph 1 Securities Trade Act (WpHG), Asklepios Kliniken Verwaltungsgesellschaft mbH, 61462 Königstein-Falkenstein, Germany, informed us on 16 March 2011, in its own name as well as in the name of, and on behalf of, Asklepios Kliniken Gesellschaft mit beschränkter Haftung, 22307 Hamburg, Germany, and of Dr. Bernard gr. Broermann, Germany, the following:

The share of voting rights of Asklepios Kliniken Verwaltungsgesellschaft mbH, 61462 Königstein-Falkenstein, Germany, in MEDICLIN Aktiengesellschaft, Okenstrasse 27, 77652 Offenburg, Germany, exceeded the threshold of 30 % on 16 March 2011 and has been 30.73 % since then (14,598,718 voting rights). The share of voting rights of Asklepios Kliniken Gesellschaft mit beschränkter Haftung, 22307 Hamburg, Germany, in MEDICLIN Aktiengesellschaft, Okenstrasse 27, 77652 Offenburg, Germany, exceeded the threshold of 30 % on 16 March 2011 and has been 30.73 % since then (14,598,718 voting rights). In accordance with Section 22, paragraph 1, clause 1, no. 1 WpHG, 30.73 % (14,598,718 voting rights) are attributable to Asklepios Kliniken Gesellschaft mit beschränkter Haftung. The voting rights attributable to Asklepios Kliniken Gesellschaft mit beschränkter Haftung in accordance with Section 22, paragraph 1, clause 1, no. 1 WpHG are held by the following company, which it controls, and whose share of voting rights in MEDICLIN Aktiengesellschaft is at least 3 %: Asklepios Kliniken Verwaltungsgesellschaft mbH.

The share of voting rights of Dr. Bernard gr. Broermann, Germany, in MEDICLIN Aktiengesellschaft, Okenstrasse 27, 77652 Offenburg, Germany, exceeded the threshold of 30 % on 16 March 2011 and has been 30.73 % since then (14,598,718 voting rights). In accordance with Section 22, paragraph 1, clause 1, no. 1 WpHG, 30.73 % (14,598,718 voting rights) are attributable to Dr. Broermann. The voting rights attributable to Dr. Broermann in accordance with Section 22, paragraph 1, clause 1, no. 1 WpHG are held by the following company, which he controls, and whose share of voting rights in MEDICLIN Aktiengesellschaft is at least 3 %: Asklepios Kliniken Verwaltungsgesellschaft mbH; Asklepios Kliniken Gesellschaft mit beschränkter Haftung.

In accordance with Section 21, paragraph 1 WpHG, Provinzial Rheinland Lebensversicherung AG Die Versicherung der Sparkassen, 40591 Düsseldorf, Germany, informed us on 18 March 2011 that its share of voting rights in MEDICLIN Aktiengesellschaft, Okenstrasse 27, 77652 Offenburg, Germany, fell below the threshold of 20 % on 16 March 2011, through shares, and has been 18.01 % since then (8,556,897 voting rights). In accordance with Section 22, paragraph 1, clause 1, no. 1 WpHG, 18.01 % (8,556,897 voting rights) are attributable to this company through ProLog Beteiligungsgesellschaft mbH, 40591 Düsseldorf, Germany.

In accordance with Section 21, paragraph 1 WpHG, ProLog Beteiligungsgesellschaft mbH, 40591 Düsseldorf, Germany, informed us on 18 March 2011 that its share of voting rights in MEDICLIN Aktiengesellschaft, Okenstrasse 27, 77652 Offenburg, Germany, fell below the threshold of 20 % on 16 March 2011 and has been 18.01 % since then (8,556,897 voting rights).

In accordance with Section 21, paragraph 1 WpHG, ProLog Beteiligungsgesellschaft mbH, Düsseldorf, Germany, informed us on 28 March 2011 that its share of voting rights in MEDICLIN Aktiengesellschaft, Okenstrasse 27, 77652 Offenburg, Germany, fell below the thresholds of 15 %, 10 %, 5 % and 3 % on 28 March 2011 and has been 0 % since then (0 voting rights). Simultaneously, in accordance with Section 21, paragraph 1 WpHG, ProLog Beteiligungsgesellschaft mbH informed us on behalf of Provinzial Rheinland Lebensversicherung AG Die Versicherung der Sparkassen, Düsseldorf, Germany, that the share of voting rights of Provinzial Rheinland Lebensversicherung AG Die Versicherung der Sparkassen in MEDICLIN Aktiengesellschaft, Okenstrasse 27, 77652 Offenburg, Germany, continued to be 18.01 % (8,556,897 voting rights). The voting rights of Provinzial Rheinland Lebensversicherung AG Die Versicherung der Sparkassen are now held directly instead of indirectly.

Risk and opportunity report

No new noteworthy opportunities or risks arose during the first three months of the 2011 financial year, and there were no changes in the risk and opportunity management; hence we refer to the information provided in the 2010 annual report.

Subsequent events and future prospects

Current economic and sector developments

Leading institutes for economic research expect a continuation of economic recovery in Germany. In April, the growth forecast for the gross domestic product (GDP) was revised upwards for 2011, from 2.2 % to 2.8 %, and for 2012 to 2.0 %. In 2011 and 2012, the unemployment rate is expected to decrease to 6.9 % and 6.5 %, respectively. Wage increases are also expected, accompanied by a rise of the inflation rate up to 2.4 %.

The current economic recovery will be instrumental in reducing the federal debt, though the debt will still remain high.

At the end of January 2011, the evaluator council of the public health insurance funds published its appraisal of the revenues and expenditures of the public health insurance funds for 2010 and 2011. For 2011, the council estimates higher revenues based on higher contributions and better market conditions. These should amount to EUR 181.6 billion, so that the public health insurance funds will not face a deficit. The allocations to the health insurance funds remain unchanged at EUR 178.9 billion, and expenditures are expected to total EUR 178.7 billion. The German statutory pension insurance scheme is expected to produce a deficit in 2011, which will be offset by federal subsidies – in regard to spending, however, a more restrictive attitude has already been shown here since the end of 2010. However, there is no information currently available on lower budget utilisation in 2011 regarding rehabilitation services.

Outlook for the 2011 financial year

In 2011, MediClin will invest in internal growth, and as far as the framework conditions of the industry and the referral behaviour of the coverage providers do not seriously alter in 2011, the Management Board expects a slight increase in turnover as well as operating results comparable to the previous year.

In relation to external growth, acquisition efforts in the acute sector are the main focus.

MEDICLIN Aktiengesellschaft

Offenburg, 11 May 2011

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 current assumptions and forecasts of MediClin AG 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 AG 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 2011 to 31 March 2011

Consolidated interim balance sheet as of 31 March 2011

ASSETS

In thousands of €		31.03.2011	31.12.2010
NON-CURRENT ASSETS			
Intangible assets			
Concessions, licences	2,130		2,236
Goodwill	51,381		51,181
Payments on account	139		158
		53,650	53,575
Property, plant and equipment			
Land, land rights and buildings including buildings on third-party land	111,999		112,394
Technical equipment and machines	8,893		8,972
Operating and office equipment	27,339		26,732
Payments on account and assets under construction	1,842		2,173
		150,073	150,271
Other financial assets			
Investment in stock of subsidiaries	59		59
Other loans	8		8
Reinsurance cover	1,469		1,469
		1,536	1,536
Non-current tax refund claims			
		399	396
Deferred tax assets			
		5,038	5,052
		210,696	210,830
CURRENT ASSETS			
Inventories			
		6,544	6,501
Trade receivables			
		58,368	61,644
Other current assets			
Prepaid expenses	3,188		1,393
Receivables pursuant to hospital financing law	4,328		3,821
Other assets	2,883		4,082
		10,399	9,296
Current tax refund claims			
		79	79
Cash and cash equivalents			
		49,536	47,955
Assets held for sale			
		100	100
		125,026	125,575
		335,722	336,405

EQUITY AND LIABILITIES

In thousands of €		31.03.2011	31.12.2010
EQUITY			
Shares MediClin Group			
Subscribed capital	47,500		47,500
Capital reserve	129,392		129,392
Revenue reserve	17		17
Consolidated balance sheet loss	-14,002		-11,987
		162,907	164,922
Non-controlling interests		17	65
		162,924	164,987
NON-CURRENT LIABILITIES			
Non-current financial liabilities			
Liabilities to banks	10,389		11,482
Other financial liabilities	9,130		9,277
		19,519	20,759
Other non-current liabilities		88	88
Non-current provisions			
Provisions for pensions and similar commitments	27,338		27,109
Other provisions	5,984		5,959
		33,322	33,068
Deferred tax liabilities		2,490	2,378
		55,419	56,293
CURRENT LIABILITIES			
Trade payables		10,684	15,222
Current financial liabilities			
Liabilities to banks and insurance companies	67,134		66,103
Other financial liabilities	785		776
		67,919	66,879
Other current liabilities			
Liabilities pursuant to hospital financing law	8,941		7,783
Other liabilities	23,571		16,838
		32,512	24,621
Current provisions		5,715	7,776
Current tax liabilities		549	627
		117,379	115,125
		335,722	336,405

Consolidated interim statement of comprehensive income

In thousands of €	January – March 2011	January – March 2010
I. CONSOLIDATED PROFIT AND LOSS ACCOUNT		
Sales	119,979	118,227
Other operating income	3,236	1,805
Total operating performance	123,215	120,032
Raw material and consumables used		
a) Cost of raw materials and supplies	–14,825	–15,482
b) Cost of purchased services	–12,104	–11,587
	–26,929	–27,069
Staff costs		
a) Wages and salaries	–60,862	–57,871
b) Social security, pension and retirement	–10,071	–10,144
	–70,933	–68,015
Depreciation and amortisation	–3,684	–3,301
Other operating expenses	–22,204	–21,671
Operating result	–535	–24
Financial result		
a) Other financial revenues	51	31
b) Other financial costs	–1,348	–1,477
	–1,297	–1,446
Result before tax	–1,832	–1,470
Taxes on income	–231	–126
Result after tax	–2,063	–1,596
Thereof attributable to shareholders of MediClin AG	–2,015	–1,621
Thereof attributable to non-controlling interests	–48	25
II. OTHER COMPREHENSIVE INCOME		
Offset of negative non-controlling interests	0	0
III. OVERALL RESULT		
	–2,063	–1,596
Thereof attributable to shareholders of MediClin AG	–2,015	–1,621
Thereof attributable to non-controlling interests	–48	25
Result after tax attributable to shareholders of MediClin AG per share		
Undiluted (in €)	–0.04	–0.03
Diluted (in €)	–0.04	–0.03

Consolidated cash flow statement

In thousands of €	January– March 2011	January– March 2010
Operating result (EBIT)	–535	–24
Result of finance activities	–1,297	–1,446
Result of income taxes	–231	–126
Total consolidated result	–2,063	–1,596
Depreciation on fixed asset items	3,684	3,301
Change in deferred taxes	126	34
Change in non-current provisions	254	380
Change in current provisions	–2,061	–289
Result from the disposal of fixed asset items	–35	–44
Change in non-current tax refund claims	–2	0
Change in current tax refund claims	0	0
Change in other current assets	2,129	–1,982
Change in other non-current liabilities	0	0
Change in other current liabilities	2,125	1,202
Cash flow from operating activities	4,157	1,006
Payments received from the disposal of fixed assets	108	67
From the disposal of property, plant and equipment	108	67
Payments received from investment subsidies	371	48
Cash used for investments in fixed assets	–2,856	–5,170
In intangible assets	–325	–834
In property, plant and equipment	–2,531	–4,336
In financial assets	0	0
Cash flow from investing activities	–2,377	–5,055
Capital increase	0	0
Dividend distribution to shareholders of MediClin AG	0	0
Repayment of financial liabilities	–199	–570
Cash flow from financing activities	–199	–570
Cash flow for the period	1,581	–4,619
Cash and cash equivalents at beginning of period	47,955	58,525
Cash and cash equivalents at end of period	49,536	53,906

The cash and cash equivalents at the end of the period correspond to the balance sheet item “cash and cash equivalents” and encompasses only cash in hand and current bank credit balances.

Statement of changes in equity

In thousands of €	Subscribed capital	Capital reserve	Revenue reserve	
As of 01.01.2010	47,500	129,392	17	
Overall result	-	-	-	
As of 31.03.2010	47,500	129,392	17	

In thousands of €	Subscribed capital	Capital reserve	Revenue reserve	
As of 01.01.2011	47,500	129,392	17	
Overall result	-	-	-	
As of 31.03.2011	47,500	129,392	17	

	Consolidated balance sheet result	Treasury stock	Shares MediClin Group	Non-controlling interests	Total equity
	-19,647	0	157,262	0	157,262
	-1,621	-	-1,621	25	-1,596
	-21,268	0	155,641	25	155,666

	Consolidated balance sheet result	Treasury stock	Shares MediClin Group	Non-controlling interests	Total equity
	-11,987	0	164,922	65	164,987
	-2,015	-	-2,015	-48	-2,063
	-14,002	0	162,907	17	162,924

Other information

General information

The unaudited consolidated interim financial report of MEDICLIN Aktiengesellschaft for the first three months of the 2011 financial year was prepared in accordance with the International Accounting Standard 34. The same accounting and valuation methods used in the consolidated financial statements for the 2010 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 2010 annual report.

Accounting regulations passed during the first quarter of 2011

In its Official Journal dated 19 February 2011, the European Union (EU Directive No. 149/2011 dated 18 February 2011) has adopted the improvements to the International Financial Reporting Standards (Annual Improvements to IFRS) from the 2008–2010 cycle as EU legislation.

The amendments of the following standards are obligatory for fiscal years beginning after 30 June 2010:

- IFRS 3 Business Combinations
- IFRS 7, IAS 32 and IAS 39 according to the amendments in IFRS 3
- IAS 21, IAS 38 and IAS 31 according to IAS 27

All other amendments are first obligatory for the fiscal years beginning after 31 December 2010. These concern to following standards:

- IFRS 1 First-Time Adoption of the International Financial Reporting Standards
- IFRS 7 Financial Instruments: Disclosures
- IAS 1 Presentation of Financial Statements
- IAS 34 Interim Financial Reporting
- IFRIC 13 Customer Loyalty Programmes

The amendments to IFRS 1 and IFRIC 13 are irrelevant for MediClin. The remaining amendments will have no significant impact on the Group's net assets, financial position and results.

As the financial year corresponds to the calendar year at MediClin, the legal regulations will uniformly go into effect for the fiscal years beginning after 31 December 2010.

Shareholder structure

Shareholders with total shares of more than 10 %, which have been reported to MediClin AG in accordance with Section 21, paragraph 1 Securities Trade Act (WpHG) are ERGO Versicherungsgruppe AG (35.03 %), Provinzial Rheinland Lebensversicherung AG (18.01 %) and, pursuant to notification in accordance with Section 23, paragraph 1, clause 1, no. 2 Securities Acquisition and Takeover Act (WpÜG), Asklepios Kliniken Verwaltungsgesellschaft mbH (34.46 % per notification on 29 April 2011). The voting rights from shares held by Asklepios Kliniken Verwaltungsgesellschaft mbH are attributed to Asklepios Kliniken GmbH and Dr. Bernard gr. Broermann, as sole shareholder of Asklepios Kliniken GmbH in accordance with Section 30, paragraph 1, clause 1, no. 1 WpÜG.

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 (Chairman)
Carsten Heise
Dr. Hans Rossels

Advisory Board

Dr. Jörg W. Knorn, Chairman

Dr. Andreas Tecklenburg, Spokesman,
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. Brigitte Mohn,
Chairwoman of the Management Board of Stiftung Deutsche Schlaganfallhilfe

Prof. Dr. Günter Neubauer,
Director of the Institut für Gesundheitsökonomik München GbR

Key data on the MediClin share

ISIN: DE0006595101; WKN: 659510; Ticker: MED

In €	Q1 2011	Q1 2010
Earnings per share un/diluted	-0.04	-0.03
Cash flow from operating activities per share	0.09	0.02
52-week high ¹	4.60	-
52-week low ¹	3.30	-
Share price at end of quarter ¹	4.29	3.46
Market capitalisation at end of quarter in millions of €	203.8	164.4
Number of shares in millions	47.50	47.50

¹ Source: Deutsche Börse AG; status: 01.04.2011; Xetra closing prices

Financial calendar

3 March 2011	Presentation of the preliminary figures for the 2010 financial year
24 March 2011	Financial statements press and analysts' conference for the 2010 financial year
11 May 2011	Publication of the interim report for the 1st quarter of 2011
26 May 2011	Annual General Meeting
11 August 2011	Publication of the interim report for the 1st half-year of 2011
10 November 2011	Publication of the interim report for the 1st–3rd quarter of 2011

Imprint

MEDICLIN Aktiengesellschaft

Okenstrasse 27

77652 Offenburg

Germany

Phone +49(0)7 81/4 88-0

Fax +49(0)7 81/4 88-133

E-mail info@mediclin.de

www.mediclin.de

Public Relations

Gabriele Eberle

Phone +49(0)7 81/4 88-180

Fax +49(0)7 81/4 88-184

E-mail gabriele.eberle@mediclin.de

Investor Relations

Alexandra Mühr

Phone +49(0)7 81/4 88-189

Fax +49(0)7 81/4 88-184

E-mail alexandra.muehr@mediclin.de

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

www.mediclin.de