

Q1

Interim report MEDICLIN Aktiengesellschaft
for the period from 1 January 2012 to 31 March 2012



Key data of the quarterly business development in the Group

In millions of €	Q1 2012	Q1 2011
Sales	125.4	120.0
Operating result (EBIT)	-1.2	-0.5
EBITDA margin in %	2.2	2.6
EBIT margin in %	-0.9	-0.4
Financial result	-1.0	-1.3
Result attributable to shareholders of MediClin AG	-2.0	-2.0
Cash flow from operating activities	2.8	4.2
Balance sheet total	321.5	335.7
Non-current assets incl. tax refund claims and deferred tax assets	217.3	210.7
Current assets incl. tax refund claims	104.2	125.0
Thereof cash and cash equivalents	28.3	49.5
Equity	163.6	162.9
Equity ratio in %	50.9	48.5
Non-current liabilities incl. deferred tax liabilities	104.6	55.4
Current liabilities incl. tax liabilities	53.3	117.4
Gross capital expenditure	6.5	3.8
Net financial debt	41.2	28.0
Number of full-time employees (quarterly average)	6,155	6,034
Sales per full-time employee in €	20,374	19,884
Staff costs per full-time employee in €	11,997	11,755
Occupancy rates in %	85.7	83.4
Un/diluted earnings per share in €	-0.04	-0.04
Cash flow from operating activities per share in €	0.06	0.09
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 **Teleradiology**

Emergency diagnostics around the clock

Since 2011, the MediClin Müritzklinikum has been the first MediClin facility to use teleradiology for on-call emergency services in accordance with the X-ray regulations. This telemedical procedure ensures a quicker diagnosis for emergency patients.

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

In the first three months of the new financial year, we achieved an increase in sales of EUR 5.4 mill. or 4.5 % in comparison to the same quarter last year. Therefore, we generated Group sales of EUR 125.4 mill. for the first quarter of 2012. The largest proportion of this increase was recorded in the post-acute segment. Sales increased in this segment by EUR 4.4 mill. to EUR 70.7 mill. The reasons for this development lie both in the lower occupancy rates in the first quarter of 2011 and the larger range of psychosomatic services offered in comparison to the same quarter in the previous year. In the acute segment, sales increased by EUR 0.2 mill. due to an increase in nursing days and case numbers. The nursing care business area also experienced a good start to the year with an increase in sales of EUR 0.3 mill.

Stringent monitoring of costs

The Group operating result for the first quarter of 2011 stood at EUR –0.5 mill. and included an aperiodic release of provisions for budget risks in the amount of EUR 1.1 mill. Adjusted for this special effect, the Group operating result for the first quarter of 2012, which amounted to EUR –1.2 mill., is EUR 0.5 mill. higher than the figure achieved in the previous year. Costs developed according to the increase in sales. As a result of an improved financial result and a lower tax burden, the result attributable to shareholders of EUR –2.0 mill. was at the same level as recorded in the first quarter of 2011.

Internal growth secured

The specialist clinic for psychosomatics that opened at the start of 2012 at the MediClin Dünenwald Klinik, Trassenheide, has supplemented the range of medical services offered at the clinic and in the Group.

In the acute segment EUR 4.2 mill. were invested, primarily in modern medical technology and with it EUR 1.9 mill. more than in the first quarter of 2011.

In the nursing care business area, specialisation occurs in terms of the provision of professional care for those people with dementia disorders. For example, the latest research results have been applied to the care of dementia patients in the MediClin Seniorenresidenz Deister Weser in Bad Münster, which has successfully specialised in geronto-psychiatric care.

In the coming months, there will also be a further expansion of capacities and an extension of the range of medical services offered based on corresponding demand in those specialist medical fields that are important for our patients.

Cooperation with Asklepios is well on track

An analysis of the common potentials available between MediClin and Asklepios has started at a Group level and discussions have been held about location-specific cooperation between the facilities of both holding companies. We expect that there will be additional growth potential in this area because there are only a few locations where the range of services offered by both groups overlap. Therefore, this represents good conditions for achieving an optimal standard of patient-oriented medical care at a local level, which should have a positive effect both on sales and also on the result.

Overall, the Management Board expects an increase in sales in the current financial year and a solid development of results, insofar as the framework conditions in the industry and the referral behaviour of the coverage providers do not seriously change in 2012.



Frank Abele
Chairman of the Management Board

**Interim Group management report of
MEDICLIN Aktiengesellschaft**
for the period from 1 January 2012 to 31 March 2012

Net assets, financial position and results of operations in the first quarter of 2012

General information

The financial reporting of MEDICLIN Aktiengesellschaft (MediClin) 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 2012 financial year should, therefore, be read in conjunction with the annual report published for the 2011 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 policies 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 2012, MediClin generated Group sales of EUR 125.4 mill. (Q1 2011: EUR 120.0 mill.). This represents an increase of EUR 5.4 mill. or 4.5 % over the value of the same period last year.

Sales in the Group and in the segments in quarterly comparison

In millions of €	Q1 2012	Q1 2011	Change in %
Post-acute	70.7	66.3	+6.6
Acute	50.6	50.4	+0.4
Other activities and reconciliation	4.1	3.3	+24.2
thereof nursing care	3.2	2.9	+10.3
Group	125.4	120.0	+4.5

The share of outpatient health care in the Group sales was EUR 4.2 mill. or 3.3 % (Q1 2011: EUR 3.9 mill. or 3.2 %), of which EUR 2.2 mill. (Q1 2011: EUR 2.0 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 increased by 6.2 % or 36,906 days, and the number of cases increased by 5.9 % or 1,712 cases, as compared to the same quarter last year. This led to an increase in the occupancy rate by 2.8 % to 85.7 %. However, the increase in **nursing days** occurred to varying degrees in the segments and the nursing care business area. While increases of 6.7 % or 30,534 nursing days in the post-acute segment and 11.8 % or 4,091 nursing days in the nursing care business area were recorded, the increase in the acute segment stood at 2.1 % or 2,281 nursing days.

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

In days	Q1 2012	Q1 2011	Change in %
Post-acute	483,274	452,740	+6.7
Acute	108,789	106,508	+2.1
Other activities thereof nursing care	38,812	34,721	+11.8
Group	630,875	593,969	+6.2

The development of the **case numbers** showed a different pattern. In the post-acute segment, the number of cases increased by 6.1 % or 1,112 cases, while in the acute segment the figure increased by 5.7 % or 600 cases.

Cases in the Group and in the segments in quarterly comparison

In cases	Q1 2012	Q1 2011	Change in %
Post-acute	19,392	18,280	+6.1
Acute	11,218	10,618	+5.7
Group (without nursing care)	30,610	28,898	+5.9

As a result of the higher number of nursing days and cases in quarterly comparison, the **occupancy rate** increased by a total of 2.3 percentage points. In the post-acute segment and the nursing care business area, the occupancy rates increased by 3.0 and 2.6 percentage points respectively, while the occupancy rate in the acute segment decreased by 0.5 percentage points. This can be attributed, amongst other things, to the higher number of beds.

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

In %	Q1 2012	Q1 2011
Post-acute	85.2	82.2
Acute	84.6	85.1
Other activities (only nursing care)	97.2	94.6
Group	85.7	83.4

Development of the result in the Group and in the segments

The **Group operating result** for the first quarter of 2011 stood at EUR –0.5 mill. and included an aperiodic release of provisions of budget risks in the amount of EUR 1.1 mill. Adjusted for this special effect, the Group operating result for the first quarter of 2012, which amounted to EUR –1.2 mill., is EUR 0.5 mill. higher than the figure achieved in the previous year. Sales increased by EUR 5.4 mill. compared to the same quarter last year, accordingly operating expenses, including depreciation and amortisation, increased by around EUR 4.6 mill. Of these additional costs EUR 0.5 mill. were attributable to raw materials and consumables used, EUR 2.9 mill. to staff costs, EUR 0.9 mill. to other operating expenses and EUR 0.3 mill. to depreciation and amortisation.

The operating results in the post-acute and acute segments displayed here contrasting developments. While the operating result in the post-acute segment improved by almost 50 % to EUR –1.7 mill., the result in the acute segment fell by almost half to EUR 2.4 mill. due to the lower growth in sales. Other activities and reconciliation stood at around the level recorded in the same period last year with EUR –1.9 mill.

Group and segment results from operating activities in quarterly comparison

In millions of €	Q1 2012	Q1 2011
Post-acute	–1.7	–3.3
Acute	2.4	4.6
Other activities and reconciliation	–1.9	–1.8
Group	–1.2	–0.5

Totalling EUR 27.4 mill., the **raw materials and consumables used** increased by only EUR 0.5 mill. in comparison to the same quarter last year, despite the clear increase in sales. This is almost entirely attributable to the increase in the cost of raw materials and supplies.

Raw materials and consumables used in quarterly comparison

	Q1 2012	Q1 2011	Change in %
Raw materials and consumables used in millions of €	27.4	26.9	+1.7
Cost of materials ratio in %	21.8	22.4	

Staff costs of EUR 73.8 mill. increased by EUR 2.9 mill., which in quarterly comparison was primarily the result of the higher average size of the staff during the first quarter of 2012.

Staff costs in quarterly comparison

	Q1 2012	Q1 2011	Change in %
Staff costs in millions of €	73.8	70.9	+4.1
Staff costs ratio in %	58.9	59.1	

Depreciation and amortisation increased by EUR 0.3 mill. to EUR 4.0 mill. (Q1 2011: EUR 3.7 mill.).

Other operating expenses increased by EUR 0.9 mill. to EUR 23.1 mill. (Q1 2011: EUR 22.2 mill.), which was largely due to greater expenses for rents and leases (EUR +0.6 mill.).

The **financial result** improved due to lower interest expenses by EUR 0.3 mill. to EUR –1.0 mill. Thus, the **result before tax** amounted to EUR –2.2 mill. and stood, therefore, EUR 0.4 mill. below the figure recorded in the previous year (Q1 2011: EUR –1.8 mill.). After taking into consideration income taxes and the share of the result attributable to non-controlling interests, the **quarterly Group result attributable to the shareholders of MediClin AG** stood at EUR –2.0 mill, and was, therefore, at the same level as the result for the first quarter of 2011.

The **un/diluted earnings per share** were EUR –0,04 (Q1 2011: EUR –0,04).

Development of net assets

Balance sheet structure

In millions of €	31.03.2012	in % of balance sheet total	31.12.2011	in % of balance sheet total
Assets				
Non-current assets	217.3	67.6	212.5	64.6
Current assets	104.2	32.4	116.3	35.4
	321.5	100.0	328.8	100.0
Equity and liabilities				
Equity	163.6	50.9	165.6	50.4
Non-current liabilities	104.6	32.5	59.0	17.9
Current liabilities	53.3	16.6	104.2	31.7
	321.5	100.0	328.8	100.0

The **balance sheet total** decreased by EUR 7.3 mill., or 2.2 %, as compared to 31 December 2011, which is reflected, above all, in the reduction of the current assets on the asset side. There was a shift in financial resources on the equity and liabilities side from current to non-current liabilities. This was due to the repayment and refinancing of loans. The above-mentioned fact is explained in detail in several parts of the 2011 annual report.

A decrease in intangible assets (EUR –0.1 mill.) was recorded for the **non-current assets** and also an increase in property, plant and equipment (EUR +1.8 mill.). Financial assets remained unchanged at EUR 1.6 mill. Non-current receivables pursuant to the hospital financing law relate to subsidies that will be paid in the period from 2013 to 2017. Non-current tax refund claims increased by EUR 0.5 mill.

Current assets decreased by EUR 12.1 mill. as of the cut-off date. Primarily cash and cash equivalents (EUR –13.0 mill.), inventories (EUR –0.8 mill.), receivables pursuant to the hospital financing law (EUR –0.6 mill.) and other assets (EUR –1.5 mill.) were reduced. In contrast, trade receivables (EUR +2.1 mill.) and prepaid expenses (EUR +1.6 mill.) increased.

Equity stood at EUR 163.6 mill. and decreased due to the offset quarterly loss. The equity ratio improved on the other hand by 0.5 percentage points from 50.4 % to 50.9 % due to the lower balance sheet total.

There was an increase in **non-current liabilities** of EUR 45.5 mill., which is primarily due to the refinancing of current financial liabilities using a longer-term amortising loan in the amount of EUR 45.0 mill.

Compared to the reference date of 31 December 2011, **current liabilities** decreased by a total of EUR 50.9 mill. Liabilities to banks and insurance companies reduced here by a total of EUR 56.6 mill., whereby the reduction was primarily due to the repayment of EUR 61.4 mill. and the increase from the utilisation of a short-term credit line in the amount of EUR 5.0 mill. from a syndicated loan. Current provisions also reduced (EUR – 0.6 mill.). In contrast, increases of EUR 7.7 mill. and EUR 0.2 mill. respectively were recorded for other liabilities and liabilities pursuant to the hospital financing law.

Development of the financial position

The **cash flow from operating activities** for the first three months of 2012, totalling EUR 2.8 mill., decreased by EUR 1.4 mill. as compared to the same period last year (Q1 2011: EUR 4.2 mill.).

The **cash flow from investing activities** totalled EUR –4.6 mill. (Q1 2011: EUR –2.4 mill.). A total of EUR 4.6 mill. represented, therefore, an increase in investment of EUR 1.7 mill. in comparison to the same period in 2011 (Q1 2011: EUR –2.9 mill.). Payments received from disposals of assets and subsidies fell to less than EUR 0.1 mill. (Q1 2011: EUR 0.5 mill.).

The **cash flow from investing activities** totalled EUR –11.3 mill. (Q1 2011: EUR –0.2 mill.). The change was primarily due to the repayment of short-term loans totalling EUR 61.4 mill., compared to the refinancing of EUR 50.0 mill. through a syndicated loan. The remaining EUR 11.4 mill. was repaid using own resources, which primarily led to a reduction in **cash and cash equivalents** totalling EUR 13.0 mill. (31.03.2012: EUR 28.3 mill., 31.12.2011: EUR 41.3 mill.).

Capital expenditure

In the first three months of 2012, investments in non-current assets were made totalling a gross amount of EUR 6.5 mill. (Q1 2011: EUR 3.8 mill.).

Gross additions to non-current assets in quarterly comparison

In thousands of €	Q1 2012	Q1 2011
Licences, concessions	261	248
Goodwill	0	200
Land, buildings	681	366
Technical equipment, EDP	1,125	65
Operating and office equipment	2,726	2,431
Payments on account and assets under construction	1,678	537
Total	6,471	3,847

Employees

The average number of employees in the first quarter of 2012, calculated on the basis of full-time staff, was 6,155 full-time employees (Q1 2011: 6,034 full-time employees), which represents an increase of 2.0 % compared to the same period last year. The largest growth in full-time employees was in other activities in the service business area with an increase of 26.2 %.

Number of employees in quarterly comparison

Shown in full-time employees	Q1 2012	Q1 2011	Change
Post-acute	3,123	3,208	-85
Acute	1,982	1,976	+6
Other activities	1,050	850	+200
thereof nursing care	169	152	+17
thereof service (including administration)	881	698	+183
Group	6,155	6,034	+121

The Group employed an average of 212 trainees in the first quarter of 2012 (Q1 2011: 210 trainees).

Sales per full-time employee increased in the first quarter of 2012 by 2.5 % to EUR 20,374 (Q1 2011: EUR 19,884). **Staff costs per full-time employee** increased by 2.1 % to EUR 11,997 in the first quarter of 2012 (Q1 2011: EUR 11,755).

Key data per full-time employee in quarterly comparison

In €	Q1 2012	Q1 2011
Sales per full-time employee	20,374	19,884
Staff costs per full-time employee	11,997	11,755

In comparison to the reference date of 31.12.2011, the number of beds in the post-acute segment increased by 32 beds and in the acute segment by 6 beds. In the nursing care business area, the number of nursing care places decreased by 4 places. In quarterly comparison, the number of beds in the post-acute and acute segments increased by 116 and 26 beds respectively. The number of nursing care places increased by 31 places in quarterly comparison.

Beds/nursing care places on reference date

Number	31.03.2012	31.12.2011	Change in %
Post-acute	6,235	6,203	+0.5
Acute	1,442	1,436	+0.4
Nursing care (places)	439	443	-0.9
Group	8,116	8,082	+0.4

Segment reporting

Sales in the **post-acute segment** amounted to EUR 70.7 mill. due to the increase in nursing days and cases, which was EUR 4.4 mill. or 6.6 % above the value for the first quarter of 2011. The costs allocated to this segment (raw materials and consumables used, staff costs and other operating expenses) of EUR 71.6 mill. only increased by EUR 1.8 mill. in comparison to the same period last year (Q1 2011: EUR 69.8 mill.) The staff cost ratio fell to 51.8 % (Q1 2011: 54.3 %). Therefore, the segment result for the first quarter of 2012 was EUR –1.7 mill. (Q1 2011: EUR –3.3 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 2012, 55.3 % of the nursing days (Q1 2011: 58.4 %) were used for subsequent nursing treatment. The strong increase in nursing days in the area of curative treatment is due, amongst other things, to the larger number of beds offered in psychosomatics and geriatrics.

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

In nursing days	Q1 2012	Q1 2011	Change in %	Share Q1 2012 in %
Subsequent nursing treatment	267,417	264,350	+1.2	55.3
Curative treatment	176,879	145,264	+21.8	36.6
Other	38,978	43,126	–9.6	8.1
Post-acute segment	483,274	452,740	+6.7	100.0

In the first quarter of 2012, an average of 3,123 full-time employees (Q1 2011: 3,208 fulltime employees) were employed in the post-acute segment.

Sales in the **acute segment** amounted to EUR 50.6 mill. (Q1 2011: EUR 50.4 mill.) could be slightly increased by EUR 0.2 mill. or 0.3 %. However, this was offset by significantly higher increases in costs. In total, costs increased by EUR 1.7 mill. to EUR 47.3 mill. (Q1 2011: EUR 45.6 mill.). In particular, staff costs increased here by EUR 0.9 mill. so that the staff cost ratio reached 53.0 % (Q1 2011: 51.4 %). This increase was due to the general tariff increases and a 2.7 % higher number of employees in the area of medical services, with a simultaneous decrease in the number of employees in the area of nursing. There were increases in raw materials and consumables used and other operating expenses of EUR 0.2 mill. and EUR 0.6 mill. respectively, of which almost EUR 0.3 mill. of other operating expenses was accounted for by higher maintenance and service work. The segment result decreased by EUR 2.2 mill. to EUR 2.4 mill. (Q1 2011: EUR 4.6 mill.). The EBIT margin was 4.7 % (Q1 2011: 9.0 %).

In the **acute segment**, an average of 1,982 full-time employees were employed in the first three months of 2012 (Q1 2011: 1,976 full-time employees).

In the **other activities segment**, sales of EUR 12.7 mill. (Q1 2011: EUR 9.7 mill.) were achieved. Of this amount, EUR 3.2 mill. (Q1 2011: EUR 2.9 mill.) was achieved by the nursing care business area.

During the first three months of 2012, an average of 1,050 full-time employees (Q1 2011: 850 full-time employees) were on staff; 169 of these in the nursing care business area (Q1 2011: 152 full-time employees) and 881 in the service business area (Q1 2011: 698 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 statutory health insurance funds, which request about 90 % of total services. Supervision and control of sales with the coverage providers is carried out with the help of monthly statistics on the coverage providers. These statistics document the services invoiced to the individual coverage providers on the basis of nursing days provided. Based on these statistics, 39.7 % (Q1 2011: 43.0 %) of the services are requested by the statutory health insurance funds, and 51.5 % (Q1 2011: 47.5 %) are requested by the social security pension funds in the post-acute segment. In the acute segment, 92.7 % (Q1 2011: 91.7 %) of the services are requested by the statutory health insurance funds.

Segment results and net assets in quarterly comparison

In millions of €	January – March 2012					
	Post-acute	Acute	Other activities	Subtotal	Reconciliation	Total
Sales	70.7	50.6	12.7	134.0	-8.6	125.4
Thereof total sales	71.7	51.1	14.1	136.9	0.0	136.9
Thereof internal sales	1.0	0.5	1.4	2.9	8.6	11.5
Raw materials and consumables used	-17.2	-13.9	-4.6	-35.7	8.3	-27.4
Staff costs	-36.5	-26.8	-9.8	-73.1	-0.7	-73.8
Other operating expenses	-17.9	-6.6	-2.3	-26.8	3.7	-23.1
Segment result	-1.7	2.4	-1.2	-0.5	-0.7	-1.2
Thereof non-cash items:						
Scheduled depreciations/write-ups	-2.0	-3.7	-0.3	-6.0	0.0	-6.0
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	-0.1	0.0	0.0	0.0	0.0
Allocation of provisions/liabilities	-6.9	-4.4	-1.9	-13.2	-0.1	-13.3
Release of provisions/liabilities	0.1	0.2	0.0	0.3	0.0	0.3
Financial revenues	0.0	0.2	0.0	0.2	-0.1	0.1
Financial costs	-0.4	-0.4	-0.1	-0.9	-0.2	-1.1
Financial result	-0.4	-0.2	-0.1	-0.7	-0.3	-1.0
Taxes on income	0.0	-0.1	0.0	-0.1	0.3	0.2
Assets	119.6	163.2	5.4	288.2	33.3	321.5
Liabilities	18.6	18.1	48.2	84.9	73.0	157.9
Gross capital expenditure	2.2	4.2	0.1	6.5	0.0	6.5

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

Report concerning related parties

Business relations to related parties and companies during the first three months of 2012 were the same as to the parties and companies listed in the 2011 annual report. Business relations to related parties and companies are handled at standard market terms and are presented as follows:

In millions of €	Q1 2012	Q1 2011
Income		
Revenues from post-acute, acute and nursing care services	0.4	0.4
Real estate management income	0.1	0.1
Expenses		
Leasing expenses	10.6	10.3
Real estate management costs	0.2	0.2
Insurance premiums	0.3	0.3
Interest expenses	0.3	1.0
Service contracts	1.4	1.1

In millions of €	31.03.2012	31.12.2011
Receivables		
Repayment claims from preliminary financing of clinic expansions/building measures	0.4	0.9
Receivables from post-acute, acute and nursing care services	0.1	0.1
Liabilities		
to insurance companies	0.0	40.9
Service contracts	0.7	0.7

Risk and opportunity report

No new noteworthy risks or opportunities arose during the first three months of the 2012 financial year, and there were no changes in the risk and opportunity management; hence we refer to the information provided in the 2011 annual report.

Changes to the Management Board and Supervisory Board

In the meeting of the Supervisory Board on the 21 March 2012, the Supervisory Board appointed Jens Breuer as a Member of the Management Board of MEDICLIN Aktiengesellschaft. He will take up his new position on 1 June 2012. Dr. Ulrich Wandschneider will resign his mandate as a Member of the Management Board on 31 May 2012. Stephan Leonhard was elected as the new Chairman of the Audit Committee.

Furthermore, the Supervisory Board decided at the Annual General Meeting on 23 May 2012 to nominate Dr. Jochen Messemer, Stephan Leonhard and Dr. Ulrich Wandschneider for election to the Supervisory Board. Dr. Jochen Messemer is standing for re-election after the end of his current term of office. Stephan Leonhard was appointed by court order and should be elected at the Annual General Meeting. Dr. Ulrich Wandschneider was nominated for election to the Supervisory Board by the majority shareholder Asklepios Kliniken Gesellschaft mit beschränkter Haftung, Hamburg.

Dr. Jan Boetius, the current Chairman of the Supervisory Board, will resign his office on 31 May 2012. Insofar as he is elected to the Supervisory Board, Dr. Ulrich Wandschneider will be nominated as the candidate to become his successor as Chairman of the Supervisory Board due to his long standing experience in the industry and in view of his role as Chairman of the Corporate Management at the Asklepios Group.

Subsequent events and future prospects

Current economic and sector developments

The German Institute for Economic Research (DIW) anticipates that gross domestic product (GDP) will increase by 0.1 % in the first quarter of 2012. The DIW predicts growth of 0.4 % for the second quarter of 2012. Overall, the leading institutes for economic research confirmed their growth forecasts for future economic development in Germany in their spring reports issued in April. The German Federal Government is also standing by its previous statements. In the opinion of the experts, domestic demand will have a considerable influence on economic growth. The good situation in the job market and salary increases will boost private consumption.

As far as the national deficit is concerned, the forecasts predict that the deficit in 2012 will only account for around 0.6 % of GDP. In particular, low interest rates and the resulting favourable refinancing conditions for public finances will have a positive effect. They will contribute to a considerable degree to the budget consolidation.

Based on preliminary financial results, the statutory health insurance funds achieved a surplus of around EUR 4.0 billion in 2011. Contributions in the amount of around EUR 183.6 billion were received in total by all health insurance funds, which were offset by expenditure of around EUR 179.6 billion. Including these positive developments experienced in the previous year, the health insurance funds held financial reserves of around EUR 10 billion at the end of 2011.

The health care funds paid around EUR 178.9 billion in total to the health insurance funds in 2011. The income received by the health care funds in the form of contributions and federal subsidies stood at around EUR 184.3 billion. Therefore, the health care funds recorded a surplus of around EUR 5.3 billion and a cash reserve of EUR 9.5 billion. Thereof EUR 3.1 billion are allocated for the prescribed minimum reserve and EUR 2.0 billion for the social compensation and for financing the additional contributions for those people receiving unemployment benefits II. The surplus amount corresponds to approximately 2 to 3 percent of the total yearly expenditure for the statutory health insurance funds. The German Federal Ministry of Health predicts a solid financial basis for the statutory health insurance funds in 2012.

New legal regulations

The "Directive for determining which physician's activities can be transferred to professionals in geriatric and nursing care for the autonomous provision of medical care within the framework of pilot projects according to Article 63, Paragraph 3 c of the fifth book of the German Social Code (SGB V) (directive according to Article 63, Paragraph 3 c SGB V)" came into force on 22 March 2012. The new directive covers the principles, as well as the content and scope, of the transfer of medical care to professionals employed in geriatric and nursing care. Examples of this type of „autonomous provision of medical care“ to be carried out by these occupational groups are specific infusion therapies and wound or pain therapies.

At the end of March 2012 a law for the reorientation of nursing care insurance (Pflege-Neuausrichtungsgesetz – PNG) was called for a vote by the German Ministry of Health in the Federal Cabinet. The current regulations for nursing care insurance do not take into account the special assistance required for the support and guidance of people with dementia. Therefore, the core focus of this reorientation is placed, amongst other things, on providing more services for those people with dementia from 2013 (particularly in nursing care levels 0, I and II), more relief for relatives providing nursing care, funding for residential groups and better physician care in nursing care homes. It is planned for the nursing care reform to come into force in large parts on 1 August 2012.

The German Federal Government presented its draft law for the introduction of a flat-rate remuneration system for psychiatric and psychosomatic facilities (PsychEntgeltgesetz – PsychEntgG) to the German Bundestag in the middle of March 2012. This aims to introduce a performance-oriented and flat-rate remuneration system in future for psychiatric and psychosomatic facilities. According to the information provided, the new remuneration system should be introduced within the framework of a "learning" system with a four-year introduction phase (budget-neutral phase) and a five-year transition phase (convergence phase) up to 2022. During the first two introduction years in 2013 and 2014, it is possible, according to the draft law, for psychiatric and psychosomatic facilities to introduce the new remuneration system on a voluntary basis. The long transition phase will give the facilities sufficient time to adapt to the future change to their income budgets, according to the information provided in the draft law. In the view of the government, the introduction of the new system will have no overall financial effects on the statutory health insurance funds because there will not be any more expenditure than is currently the case but the resources will merely be distributed between the facilities instead in a more performance oriented way.

The possible effects on business development at MediClin that may arise from these new regulations are currently being investigated.

Outlook for the 2012 financial year

The Management Board expects an increase in sales in the 2012 financial year and a solid development of results, insofar as the framework conditions in the industry and the referral behaviour of the coverage providers do not seriously change. In terms of external growth, MediClin will behave in an opportunistic manner and, as previously, use its own strict acquisition criteria as the basis for any possible acquisitions.

MEDICLIN Aktiengesellschaft

Offenburg, 11 May 2012

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 2012 to 31 March 2012

Consolidated interim balance sheet as of 31 March 2012

ASSETS

In thousands of €		31.03.2012	31.12.2011
NON-CURRENT ASSETS			
Intangible assets			
Concessions, licences	1,578		1,710
Goodwill	50,056		50,056
Payments on account	236		239
		51,870	52,005
Property, plant and equipment			
Land, land rights and buildings including buildings on third-party land	113,759		114,468
Technical equipment and machines	9,184		8,499
Operating and office equipment	30,258		30,047
Payments on account and assets under construction	3,166		1,537
		156,367	154,551
Other financial assets			
Investment in stock of subsidiaries	59		59
Other loans	2		2
Reinsurance cover	1,510		1,510
		1,571	1,571
Other non-current assets			
Non-current tax refund claims	880		346
Receivables pursuant to hospital financing law	2,300		0
		3,180	346
Deferred tax assets			
		4,348	4,019
		217,336	212,492
CURRENT ASSETS			
Inventories			
		5,998	6,778
Trade receivables			
		60,196	58,066
Other current assets			
Prepaid expenses	3,017		1,414
Receivables pursuant to hospital financing law	2,406		2,965
Other assets	3,927		5,464
		9,350	9,843
Current tax refund claims			
		79	79
Cash and cash equivalents			
		28,320	41,336
Assets held for sale			
		236	236
		104,179	116,338
		321,515	328,830

EQUITY AND LIABILITIES

In thousands of €		31.03.2012	31.12.2011
EQUITY			
Shares MediClin Group			
Subscribed capital	47,500		47,500
Capital reserve	129,392		129,392
Revenue reserve	17		17
Consolidated balance sheet loss	-13,323		-11,357
		163,586	165,552
Non-controlling interests		16	37
		163,602	165,589
NON-CURRENT LIABILITIES			
Non-current financial liabilities			
Liabilities to banks	59,538		14,115
Other financial liabilities	8,384		8,576
		67,922	22,691
Other non-current liabilities		44	46
Non-current provisions			
Provisions for pensions and similar commitments	27,832		27,628
Other provisions	5,877		5,889
		33,709	33,517
Deferred tax liabilities		2,920	2,799
		104,595	59,053
CURRENT LIABILITIES			
Trade payables		12,949	14,623
Current financial liabilities			
Liabilities to banks and insurance companies	10,022		66,585
Other financial liabilities	787		741
		10,809	67,326
Other current liabilities			
Liabilities pursuant to hospital financing law	3,215		2,976
Other liabilities	24,087		16,368
		27,302	19,344
Current provisions		2,258	2,895
		53,318	104,188
		321,515	328,830

Consolidated interim statement of comprehensive income

In thousands of €	January – March 2012	January – March 2011
I. CONSOLIDATED PROFIT AND LOSS ACCOUNT		
Sales	125,400	119,979
Other operating income	1,742	3,236
Total operating performance	127,142	123,215
Raw material and consumables used		
a) Cost of raw materials and supplies	– 15,232	– 14,825
b) Cost of purchased services	– 12,147	– 12,104
	– 27,379	– 26,929
Staff costs		
a) Wages and salaries	– 63,427	– 60,862
b) Social security, pension and retirement	– 10,412	– 10,071
	– 73,839	– 70,933
Depreciation and amortisation	– 3,969	– 3,684
Other operating expenses	– 23,110	– 22,204
Operating result	– 1,155	– 535
Financial result		
a) Other financial revenues	54	51
b) Other financial costs	– 1,083	– 1,348
	– 1,029	– 1,297
Result before tax	– 2,184	– 1,832
Taxes on income	197	– 231
Result after tax	– 1,987	– 2,063
Thereof attributable to shareholders of MediClin AG	– 1,966	– 2,015
Thereof attributable to non-controlling interests	– 21	– 48
II. OTHER COMPREHENSIVE INCOME		
Offset of negative non-controlling interests	0	0
III. OVERALL RESULT		
Thereof attributable to shareholders of MediClin AG	– 1,966	– 2,015
Thereof attributable to non-controlling interests	– 21	– 48
Result after tax attributable to shareholders of MediClin AG per share		
Undiluted (in €)	– 0.04	– 0.04
Diluted (in €)	– 0.04	– 0.04

Consolidated cash flow statement

In thousands of €	January– March 2012	January– March 2011
Operating result (EBIT)	–1,155	–535
Result of finance activities	–1,029	–1,297
Result of income taxes	197	–231
Total consolidated result	–1,987	–2,063
Depreciation on fixed asset items	3,969	3,684
Change in deferred taxes	–208	126
Change in non-current provisions	191	254
Change in current provisions	–638	–2,061
Result from the disposal of fixed asset items	–24	–35
Change in non-current tax refund claims	–534	–2
Change in other non-current assets	–2,300	0
Change in other current assets	–84	2,129
Change in other non-current liabilities	–2	0
Change in other current liabilities	4,459	2,125
Cash flow from operating activities	2,842	4,157
Payments received from the disposal of fixed assets	39	108
From the disposal of property, plant and equipment	39	108
Payments received from investment subsidies	33	371
Cash used for investments in fixed assets	–4,644	–2,856
In intangible assets	–209	–325
In property, plant and equipment	–4,435	–2,531
Cash flow from investing activities	–4,572	–2,377
Assumption of financial liabilities	51,200	0
Repayment of financial liabilities	–62,486	–199
Cash flow from financing activities	–11,286	–199
Cash flow for the period	–13,016	1,581
Cash and cash equivalents at beginning of period	41,336	47,955
Cash and cash equivalents at end of period	28,320	49,536

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 01.01.2011	47,500	129,392	17	
Overall result	-	-	-	
As of 31.03.2011	47,500	129,392	17	

In thousands of €	Subscribed capital	Capital reserve	Revenue reserve	
As of 01.01.2012	47,500	129,392	17	
Overall result	-	-	-	
As of 31.03.2012	47,500	129,392	17	

	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
	Consolidated balance sheet result	Treasury stock	Shares MediClin Group	Non-controlling interests	Total equity
	-11,357	0	165,552	37	165,589
	-1,966	-	-1,966	-21	-1,987
	-13,323	0	163,586	16	163,602

Other information

General information

The unaudited consolidated interim financial report of MEDICLIN Aktiengesellschaft for the first three months of the 2012 financial year was prepared in accordance with the International Accounting Standard 34. The same accounting policies used in the consolidated financial statements for the 2011 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 2011 annual report.

Accounting regulations passed during the first quarter of 2012

The International Financial Standards Board (IASB) published amendments to IFRS 1 "First-time Adoption of the International Financial Reporting Standards" on 13 March 2012.

The amendment deals with how a IFRS first-time adopter has to disclose a government loan with a below-market rate of interest at the transition date. The amended version of IFRS 1 is to be used for financial years that begin on or after the 1 January 2013. Earlier application of the amended standard is permitted. The amendment is not relevant for MediClin.

Corporate decision-making bodies

Management Board

Frank Abele, Chairman of the Management Board
Dr. Ulrich Wandschneider, Member of the Management Board

Supervisory Board

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

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

Stephan Leonhard (Chairman)
Dr. Daniel von Borries
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
Stephan Leonhard

Advisory Board

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 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 € per share	Q1 2012	Q1 2011
Earnings un/diluted	-0.04	-0.04
Cash flow from operating activities	0.06	0.09
Book value ¹ at end of quarter	3.44	3.43
Share price at end of quarter	3.59	4.29
52-week high	4.50	-
52-week low	3.50	-
Market capitalisation at end of quarter in millions of €	170.53	203.78
Number of shares in millions	47.50	47.50

¹ Equity less non-controlling interests

Source: Deutsche Börse AG; Xetra/status: 28.04.2012

Financial calendar

2 March 2012	Presentation of the interim figures for the 2011 financial year
22 March 2012	Financial statements press and analysts' conference for the 2011 financial year
11 May 2012	Publication of the interim report for the 1st quarter 2012
23 May 2012	Annual General Meeting
10 August 2012	Publication of the interim report 1st half-year 2012
14 November 2012	Publication of the interim report for the 1st–3rd quarter 2012

Imprint

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