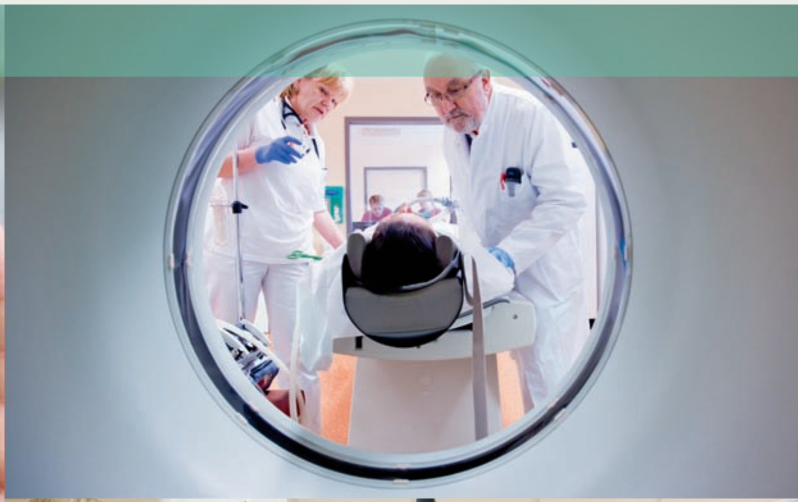
MEDICLIN

Q2

Interim report MEDICLIN Aktiengesellschaft

for the period from 1 January 2012 to 30 June 2012



MediClin integrates.

Key data of the quarterly business development in the Group

In millions of €	Q 2 2012	Q 1 2012	Q 2 2011	Q 1 2011
Sales	128.7	125.4	122.9	120.0
Operating result (EBIT)	2.3	–1.2	2.3	–0.5
EBITDA margin in %	4.8	2.2	5.0	2.6
EBIT margin in %	1.7	–0.9	1.9	–0.4
Financial result	–0.8	–1.0	–1.3	–1.3
Result attributable to shareholders of MediClin AG	1.0	–2.0	0.5	–2.0
Cash flow from operating activities	–0.3	2.8	–1.4	4.2
Balance sheet total	320.1	321.5	326.6	335.7
Non-current assets incl. tax refund claims and deferred tax assets	217.1	217.3	213.0	210.7
Current assets incl. tax refund claims	103.0	104.2	113.6	125.0
Thereof cash and cash equivalents	23.1	28.3	38.4	49.5
Equity	164.5	163.6	161.1	162.9
Equity ratio in %	51.4	50.9	49.3	48.5
Non-current liabilities incl. deferred tax liabilities	106.7	104.6	54.5	55.4
Current liabilities incl. tax liabilities	48.9	53.3	111.0	117.4
Gross capital expenditure	4.7	6.5	7.5	3.8
Net financial debt	46.0	41.2	37.4	28.0
Number of full-time employees (quarterly average)	6,201	6,155	6,064	6,034
Sales per full-time employee in €	20,758	20,374	20,269	19,884
Staff costs per full-time employee in €	11,817	11,997	11,587	11,755
Occupancy rate in %	87.6	85.9	85.3	83.4
Un/diluted earnings per share in €	0.02	–0.04	0.01	–0.04
Cash flow from operating activities per share in €	–0.01	0.06	–0.03	0.09
Number of shares in millions	47.50	47.50	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 **Sustainability**

Saving energy, increasing patient comfort and protecting the environment

Energy efficiency does not need to be expensive, nor does it have to be to the detriment of the range of therapy offered. This has been proved by the MediClin Technical Department at the MediClin Klinik am Rennsteig. Here, the flue gas heat from a cogeneration plant (combined heat and power) is ensuring that the optimal temperature is achieved in the therapy pool.

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

In the first half-year of 2012 we generated Group sales of EUR 254.1 mill. which were EUR 11.2 mill. or 4.6 % higher than in the same period of last year. The main reason for the growth in sales was a marked rise in nursing days and the number of cases. The gain was especially visible in our post-acute segment but a distinct increase in the number of nursing days could also be noted in the nursing care business area. This expansion was additionally made possible by newly-created capacities which are all well-utilised, offering proof that the demand had been correctly assessed here.

As regards the sales development in the segments, sales in the post-acute segment climbed by 7.2 % or EUR 9.8 mill. to EUR 145.5 mill. Sales in the acute segment of EUR 100.6 mill. remained approximately at the previous year's level. This shows that, in spite of the higher number of nursing days and cases, it was not possible to earn any surplus revenues. The nursing care business area contributed EUR 0.6 mill. to the sales increase, generating sales of EUR 6.4 mill.

Post-acute segment records a result of EUR 1.3 mill.

The Group operating result of the first half-year of 2012 of EUR 1.1 mill. was EUR 0.7 mill. lower than in the same period of last year – or, adjusted for aperiodic releases of provisions contained in the previous year's value, was EUR 2.1 mill. higher than the previous year's value. A look at the development of the result by segment shows the result in the post-acute segment of EUR 1.3 mill. to be EUR 3.9 mill. higher than the previous year's value. In the acute segment it was not possible to compensate cost increases through additional sales so that a segment result of only EUR 3.9 mill. was achieved.

Focus on quality

Recent months have again demonstrated that our strategy of offering home- and community-based integrated medical care backed by high medical standards is being acknowledged. Once again certifications were awarded, documenting the excellent quality achieved in our hospitals. And a survey published in June showed two of MediClin's facilities to rank among the best hospitals in Germany. Especially good marks were awarded in both hospitals for the high quality of the medical and hygiene standards as well as the nursing care.

Outlook

MediClin has placed its focus on medical specialist fields identified as growth areas on account of demographic or civilisation-related developments. We will therefore continue to expand our capacities in these specialist fields and create internal growth and will, as before, successfully exploit the cost reduction potentials that arise.

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 30 June 2012

Net assets, financial position and results of operations in the first six months of the 2012 financial year

General information

The financial reporting of MEDICLIN Aktiengesellschaft is based on the International Financial Reporting Standards (IFRS). Generally, the preparation of the interim reports consists of updating the annual report. The present interim report for the first six months of the 2012 financial year should therefore be read in conjunction with the annual report published for the 2011 financial year and the interim report for the first quarter of 2012. The interim report for the first half-year of 2012 has not been reviewed by auditors. The figures 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 half-year of 2012, MediClin generated Group sales of EUR 254.1 mill. (1 HY 2011: EUR 242.9 mill.) which represents an increase of EUR 11.2 mill. or 4.6 % compared with the same period last year. Sales in the post-acute segment and the nursing care business area recorded increases on the same period last year of EUR 9.8 mill. and EUR 0.6 mill. respectively. In the acute segment, sales declined by EUR 0.1 mill. compared with the previous year's value.

Sales in the Group and in the segments in half-year comparison

In millions of €	1 HY 2012	1 HY 2011	Change in %
Post-acute	145.5	135.7	+7.2
Acute	100.6	100.7	−0.1
Other activities and reconciliation	8.0	6.5	+24.9
thereof nursing care	6.4	5.8	+11.1
Group	**254.1**	**242.9**	**+4.6**

The share of outpatient healthcare in Group sales came to EUR 8.5 mill. or 3.3 % (1 HY 2011: EUR 7.9 mill. or 3.3 %), with medical care centres accounting for EUR 4.5 mill. (1 HY 2011: EUR 4.1 mill.) of this.

Group sales in the second quarter of 2012 climbed in comparison with the same period of 2011 by EUR 5.8 mill. or 4.7 %. Quarterly sales in the segments and in the nursing care business area concurred with the half-year development. The share of outpatient healthcare in Group sales came to EUR 4.3 mill. or 3.4 % (Q2 2011: EUR 4.0 mill. or 3.3 %), with the medical care centres accounting for EUR 2.3 mill. (Q2 2011: EUR 2.0 mill.) of this.

Sales in the Group and in the segments in quarterly comparison

In millions of €	Q2 2012	Q2 2011	Change in %
Post-acute	74.8	69.4	+7.7
Acute	50.0	50.3	−0.5
Other activities and reconciliation	3.9	3.2	+23.7
thereof nursing care	3.2	2.9	+8.6
Group	**128.7**	**122.9**	**+4.7**

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

On the Group level, the number of accomplished **nursing days** improved in a comparison with the first half-year of 2011 by a total of 66,486 nursing days. This is largely attributable to the good occupancy rate of the newly-created capacities. Compared with the same period last year, the number of beds rose by 2.1 % or a total of 165 beds (post-acute segment +101 beds, acute segment +30 beds and nursing care business area +34 places).

Nursing days in the Group and in the segments in half-year comparison

In days	1 HY 2012	1 HY 2011	Change in %
Post-acute	984,224	928,036	+6.1
Acute	214,009	210,432	+1.7
Other activities (only nursing care)	76,714	69,993	+9.6
Group	**1,274,947**	**1,208,461**	**+5.5**

The largest increase in the number of nursing days, of 56,188 nursing days, was recorded in the post-acute segment followed by 6,721 nursing days in the nursing care business area and 3,577 nursing days in the acute segment.

In a quarterly comparison, the figures show an increase of a total of 29,672 nursing days or 4.8 %, with the post-acute segment accounting for 25,686, the nursing care business area for 2,626 and the acute segment for 1,360 of these total nursing days.

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

In days	Q 2 2012	Q 2 2011	Change in %
Post-acute	500,982	475,296	+ 5.4
Acute	105,284	103,924	+ 1.3
Other activities (only nursing care)	37,898	35,272	+ 7.4
Group	**644,164**	**614,492**	**+ 4.8**

Compared with the first half-year of 2011, the **number of cases** climbed by a total of 2,513 or 4.3 %, with the highest gain of 1,828 cases being recorded by the post-acute segment.

Cases in the Group and in the segments in half-year comparison

In cases	1 HY 2012	1 HY 2011	Change in %
Post-acute	39,389	37,561	+ 4.9
Acute	21,813	21,128	+ 3.2
Group (without nursing care)	**61,202**	**58,689**	**+ 4.3**

A quarterly comparison shows the number of cases to have risen by a total of 862 cases, with the post-acute segment accounting for 711 and the acute segment for 151 of these total cases.

Cases in the Group and in the segments in quarterly comparison

In cases	Q 2 2012	Q 2 2011	Change in %
Post-acute	19,992	19,281	+ 3,7
Acute	10,661	10,510	+ 1,4
Group (without nursing care)	**30,653**	**29,791**	**+ 2,9**

The **occupancy rate** in the Group improved in the first half-year of 2012 by 2.4 percentage points compared with the same period last year. The quarterly improvement on the Group level amounted to 2.3 percentage points. The quarterly and half-year comparison of the post-acute segment reveals a visible increase of +3.0 percentage points in each case. In the acute segment, the occupancy rate in the half-year comparison was 0.2 percentage points up in comparison to the same period of 2011 while the rate in the quarterly comparison remained unchanged. Differing developments could also be noted in the nursing care business area. While the half-year comparison reveals a 1.0 percentage point increase in the occupancy rate, the quarterly comparison shows a slight decline of 0.6 percentage points.

Occupancy rate in the Group and in the segments in half-year comparison

In %	1 HY 2012	1 HY 2011
Post-acute	86.8	83.8
Acute	83.9	83.7
Other activities (only nursing care)	95.8	94.8
Group	**86.8**	**84.4**

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

In %	Q 2 2012	Q 2 2011
Post-acute	88.4	85.4
Acute	82.2	82.2
Other activities (only nursing care)	94.4	95.0
Group	**87.6**	**85.3**

Development of beds/places

Compared with the bed capacity as of the balance sheet date 31 December 2011, the number of beds/places rose by 26, with the number of beds in the post-acute segment rising by 17 and in the acute segment by 10. In the nursing care business area, the number of places declined by 1 place.

Beds/places on reference date

Number	30.06.2012	31.12.2011	Change in %
Post-acute	6,220	6,203	+0.3
Acute	1,446	1,436	+0.7
Nursing care (places)	442	443	−0.2
Group	**8,108**	**8,082**	**+0.3**

The half-year comparison between the reference dates shows the number of beds/places to have grown by 165, with the post-acute segment accounting for 101 beds, the acute segment for 30 beds and the nursing care business area for 34 places.

Beds/places on reference date

Number	30.06.2012	30.06.2011	Change in %
Post-acute	6,220	6,119	+1.7
Acute	1,446	1,416	+2.1
Nursing care (places)	442	408	+8.3
Group	**8,108**	**7,943**	**+2.1**

Development of expenses

Raw material and consumables used totalled EUR 55.1 mill. in the first half-year of 2012 and, despite the marked sales increase, exceeded the previous year's value by only EUR 0.9 mill. The cost of purchased services accounted for EUR 0.3 mill. of this increase and the cost of raw materials and supplies for EUR 0.6 mill.

Raw materials and consumables used in half-year comparison

	1 HY 2012	1 HY 2011	Change in %
Raw materials and consumables used in millions of €	55.1	54.2	+1.6
Cost of materials ratio in %	21.7	22.3	–

Raw materials and consumables used in quarterly comparison

	Q2 2012	Q2 2011	Change in %
Raw materials and consumables used in millions of €	27.7	27.3	+1.6
Cost of materials ratio in %	21.5	22.2	–

The half-year comparison shows **staff costs** to have risen by EUR 5.9 mill. or 4.2 %, with wages and salaries and costs for social security, pension and retirement having risen by EUR 4.8 mill. and EUR 1.1 mill. respectively. The increase can be essentially attributed to compensation adjustments and a higher average number of staff.

Staff costs in half-year comparison

	1 HY 2012	1 HY 2011	Change in %
Staff costs in millions of €	147.1	141.2	+4.2
Staff costs ratio in %	57.9	58.1	–

Staff costs in quarterly comparison

	Q2 2012	Q2 2011	Change in %
Staff costs in millions of €	73.3	70.3	+4.3
Staff costs ratio in %	56.9	57.2	–

Depreciation and amortisation of EUR 7.9 mill. (1 HY 2011: EUR 7.5 mill.) increased by EUR 0.4 mill. compared with the same period in 2011.

The half-year comparison shows **other operating expenses** to have risen by EUR 1.7 mill. to EUR 46.6 mill., with rents and leases accounting for EUR 1.0 mill. of this increase, other taxes for EUR 0.3 mill. and EDP/organisation and auditing and consulting costs for EUR 0.4 mill. in each case. Expenses for maintenance recorded a decline of EUR 0.4 mill.

The **financial result** of the first half-year of 2012 of EUR –1.8 mill. improved by EUR 0.8 mill. in comparison with the same period in 2011 in response to lower interest expenses.

Development of the result in the Group and in the segments

The **Group operating result** for the first half of 2012 of EUR 1.1 mill. was EUR 0.7 mill. lower than the same period in 2011. The previous year's result contained aperiodic releases of provisions of EUR 2.8 mill. Adjusted for this special effect, the Group operating result of the first half-year of 2012 would exceed the previous year's result by EUR 2.1 mill.

A look at the first half-year development of the operating result in the post-acute segment reveals that, thanks to the positive segment result in the second quarter of 2012 of EUR 3.0 mill., an improvement was achieved from EUR –1.7 mill. in the first quarter of 2012 to EUR +1.3 mill. at half-year. In spite of the higher number of nursing days and cases, sales in the acute segment remained at the previous year's level so that it was not possible to offset the cost increases by higher sales.

Group and segment results from operating activities in half-year comparison

In millions of €	1 HY 2012	1 HY 2011
Post-acute	1.3	–2.6
Acute	3.9	8.6
Other activities and reconciliation	–4.1	–4.2
Group	**1.1**	**1.8**

The quarterly comparison shows the Group result to correspond with that of last year. While the post acute segment was able to record an improvement of EUR 2.3 mill., the result in the acute segment was EUR 2.5 mill. lower than the result of the same period last year due to slightly lower quarterly sales.

Group and segment results from operating activities in quarterly comparison

In millions of €	Q 2 2012	Q 2 2011
Post-acute	3.0	0.7
Acute	1.5	4.0
Other activities and reconciliation	–2.2	–2.4
Group	**2.3**	**2.3**

The **result before tax** in the first half-year of 2012 amounted to EUR –0.7 mill. (1 HY 2011: EUR –0.8 mill.). Net of taxes on income totalling EUR 0.3 mill. and the share in profits attributable to non-controlling interests, the **Group result attributable to shareholders of MediClin AG** amounted to EUR –1.0 mill. (1 HY 2011: EUR –1.5 mill.).

The **un/diluted earnings per share** for the first half-year of 2012 amounted to EUR –0.02 (1 HY 2011: EUR –0.03).

Development of net assets

Balance sheet structure

In millions of €	30.06.2012	In % of balance sheet total	31.12.2011	In % of balance sheet total
Assets				
Non-current assets	217.1	67.8	212.5	64.6
Current assets	103.0	32.2	116.3	35.4
	320.1	**100.0**	**328.8**	**100.0**
Equity and liabilities				
Equity	164.5	51.4	165.6	50.4
Non-current liabilities	106.7	33.3	59.0	17.9
Current liabilities	48.9	15.3	104.2	31.7
	320.1	**100.0**	**328.8**	**100.0**

The **balance sheet total** decreased compared with the recording date 31 December 2011 by EUR 8.7 mill. or 2.6 %, as reflected on the asset side above all by the reduction in current assets. The equity and liabilities side reveals a shift in the finance capital from the current to the non-current region.

The **non-current assets**, which make up a good two thirds of the balance sheet total, grew by 2.2 %. These assets mostly comprise goodwill (30.06.2011: EUR 50.1 mill.; 31.12.2011: EUR 50.1 mill.) and property, plant and equipment (30.06.2011: EUR 156.8 mill.; 31.12.2011: EUR 154.6 mill.).

The gross additions to non-current assets were EUR 11.2 mill. (1 HY 2011: EUR 11.3 mill.), of which EUR 10.6 mill. (1 HY 2011: EUR 10.7 mill.) is attributable to property, plant and equipment. The fixed assets are 78.3 % (31.12.2011: 79.6 %) financed by equity so that, in total, 129.0 % (31.12.2011: 107.9 %) are financed long-term.

The **current assets** posted a reduction as of the cut-off date of EUR 13.3 mill. which is attributable to the decline in cash and cash equivalents (EUR – 18.3 mill.), other assets (EUR – 1.8 mill.), inventories (EUR – 0.4 mill.) and to the disposal of assets held for sale (EUR – 0.2 mill.). The reductions were offset by increases in trade receivables (EUR + 4.4 mill.), prepaid expenses (EUR + 2.3 mill.) and receivables pursuant to the hospital financing law (EUR + 0.6 mill.).

Equity amounts to EUR 164.5 mill. The equity ratio increased by 1.0 percentage points to 51.4 % largely in response to the lower balance sheet total.

The increase in non-current liabilities of EUR 47.7 mill. is primarily the result of refinancing short-term financial liabilities through a long-term redeemable loan of EUR 50.0 mill. EUR 2.5 mill. of this loan, which is carried under current liabilities, are to be redeemed by 31 January 2013.

Compared with the recording date 31 December 2011, current liabilities fell by a total of EUR 55.3 mill. Liabilities to banks and insurance companies dropped by altogether EUR 58.9 mill., the decline is primarily attributable to the balance of the redemption of EUR 61.4 mill. and to the short-term redemption share of EUR 2.5 mill. of the above-mentioned redeemable loan. Further to this, current provisions recorded a decline of EUR 0.6 mill. These were largely offset by increases in trade payables (EUR + 0.3 mill.), other liabilities (EUR + 2.7 mill.) and liabilities pursuant to hospital financing law (EUR +1.0 mill.).

Development of the financial position

The cash flow from operating activities for the first half-year of 2012 of EUR + 2.5 mill. was EUR 0.3 mill. lower than in the same period last year (1 HY 2011: EUR + 2.8 mill.).

The cash flow from investing activities amounted to EUR –8.8 mill. (1 HY 2011: EUR –7.9 mill.). In the first six months of 2012, expenses for investments totalling EUR 9.7 mill. (1 HY 2011: EUR 9.5 mill.) were offset by subsidies of EUR 0.4 mill. (1 HY 2011: EUR 1.5 mill.).

The cash flow from financing activities amounted to EUR – 12.0 mill. (1 HY 2011: EUR – 4.5 mill.) and was primarily the result of the reduction in financial debt. In particular a short-term shareholder loan of EUR 61.4 mill. was refunded by a long-term redeemable loan of EUR 50.0 mill. The difference between redemption and refunding was financed from own free cash and cash equivalents.

Including the outflow of funds from investment activity and the inflow of funds from the operating cash flow, cash and cash equivalents were lowered by EUR 18.3 mill. to EUR 23.1 mill.

Capital expenditure

In the first half-year of 2012, investments in non-current assets were made totalling a gross amount of EUR 11.2 mill. (1 HY 2011: EUR 11.3 mill.). Subsidies of EUR 0.4 mill. (1 HY 2011: EUR 1.5 mill.) were accrued in this period.

Gross additions to non-current assets in half-year comparison

In thousands of €	**1 HY 2012**	1 HY 2011
Licences, concessions	595	384
Goodwill	0	200
Land, buildings	722	411
Technical equipment, EDP	1,344	473
Operating and office equipment	4,588	6,305
Payments on account and assets under construction	3,933	3,551
Total	**11,182**	**11,324**

Employees

The number of employees, calculated in terms of full-time employees, amounted to an average of 6,178 full-time employees for the first half-year of 2012 (1 HY 2011: 6,049 full-time employees). The headcount rose by a total of 129 full-time employees or 2.1 %.

In the acute segment an average of 1,872 full-time employees are employed in the acute-care hospitals (1 HY 2011: 1,860 full-time employees) and an average of 118 full-time employees in the medical care centres (1 HY 2011: 113 full-time employees). The highest growth in full-time employees was recorded in the service business area and can be primarily attributed to the further assumption of catering services.

In the first half-year of 2012 an average 209 trainees were employed throughout the Group (1 HY 2011: 207 trainees).

Number of employees in half-year comparison

Shown in full-time employees	1 HY 2012	1 HY 2011	Change
Post-acute	3,136	3,221	−85
Acute	1,990	1,973	+17
Other activities	1,052	855	+197
thereof nursing care	167	152	+15
thereof service (including administration)	885	703	+182
Group	**6,178**	**6,049**	**+129**

Number of employees in quarterly comparison

Shown in full-time employees	Q 2 2012	Q 2 2011	Change
Post-acute	3,149	3,235	−86
Acute	1,998	1,970	+28
Other activities	1,054	859	+195
thereof nursing care	165	152	+13
thereof service (including administration)	889	707	+182
Group	**6,201**	**6,064**	**+137**

Sales per full-time employee climbed in comparison with the same period of the previous year by approximately EUR 979 or 2.4 % and in quarterly comparison by EUR 489 or 2.4 %. **Staff costs per full-time employee** rose by EUR 471 or 2.0 % compared with the first half-year of 2011 and by EUR 230 or 2.0 % in quarterly comparison.

Key data per full-time employee in half-year comparison

In €	1 HY 2012	1 HY 2011
Sales per full-time employee	41,133	40,154
Staff costs per full-time employee	23,813	23,342

Key data per full-time employee in quarterly comparison

In €	Q 2 2012	Q 2 2011
Sales per full-time employee	20,758	20,269
Staff costs per full-time employee	11,817	11,587

Segment reporting

The half-year and quarterly comparisons show an improvement in sales in the post-acute segment and in the two business areas nursing care and service (other activities). Sales in the acute segment were approximately at the level of the same period last year. The expenses attributed to the segments (raw materials and consumables used, staff costs and other operating expenses) were higher than in the same period last year so that it was not possible to compensate for the cost increases in the acute segment.

Development of the segments in half-year comparison

In the **post-acute segment**, sales totalling EUR 145.5 mill. were generated in the first half-year of 2012 (1 HY 2011: EUR 135.7 mill.), the highest level in MediClin's history. This translated into a positive segment result of EUR 1.3 mill. (1 HY 2011: EUR –2.6 mill.).

The number of nursing days and the number of cases climbed by 6.1 % and 4.9 % respectively. The Occupancy rate rose by 3.0 percentage points to 86.8 %. Subsequent nursing treatment accounted for 62.1 % (1 HY 2011: 66.1 %) of the nursing days. Curative treatment accounted for 36.6 % (1 HY 2011: 32.6 %) of the nursing days; curative treatment also includes all of the services offered in psychosomatics.

Nursing days in the post-acute segment by measures in half-year comparison

In nursing days	1 HY 2012	1 HY 2011	Change in %	Share 1 HY 2012 in %
Subsequent nursing treatment	611,244	613,459	–0.4	62.1
Curative treatment	360,070	302,237	+19.1	36.6
Other	12,910	12,340	+4.6	1.3
Post-acute segment	**984,224**	**928,036**	**+6.1**	**100.0**

In the first half-year of 2012, an average 3,136 full-time employees were employed in the post-acute segment (1 HY 2011: 3,221 full-time employees).

Sales in the **acute segment** of EUR 100.6 mill. were approximately at the previous year's level (1 HY 2011: EUR 100.7 mill.) so that the segment result was lowered as a result of the higher operating expenses (EUR +3.8 mill.). The segment result for the first half-year of 2012 totalled EUR 3.9 mill. (1 HY 2011: EUR 8.6 mill.).

In the first half-year of 2012, an average 1,990 full-time employees were employed in the acute segment (1 HY 2011: 1,973 full-time employees).

Segment results and net assets in half-year comparison

In millions of €	January – June 2012					
	Post-acute	Acute	Other activities	Subtotal	Reconcili-ation	Total
Sales	145.5	100.6	25.6	**271.7**	–17.6	**254.1**
Thereof total sales	147.6	101.4	28.2	**277.2**	0.0	**277.2**
Thereof internal sales	2.1	0.8	2.6	**5.5**	17.6	**23.1**
Raw materials and consumables used	–34.5	–28.0	–9.4	**–71.9**	16.8	**–55.1**
Staff costs	–73.3	–53.1	–19.4	**–145.8**	–1.3	**–147.1**
Other operating expenses	–35.1	–13.3	–5.0	**–53.4**	6.8	**–46.6**
Segment result	**1.3**	**3.9**	**–2.5**	**2.7**	**–1.6**	**1.1**
Thereof non-cash items:						
Scheduled depreciations/write-ups	–4.1	–7.5	–0.4	**–12.0**	0.0	**–12.0**
Unscheduled depreciations/write-ups	0.0	0.0	0.0	**0.0**	0.0	**0.0**
Release of special item	0.2	3.9	0.0	**4.1**	0.0	**4.1**
Allowances	0.0	–0.1	0.0	**–0.1**	0.0	**–0.1**
Allocation of provisions/liabilities	–6.8	–4.7	–1.5	**–13.0**	–0.3	**–13.3**
Release of provisions/liabilities	0.3	0.4	0.1	**0.8**	0.0	**0.8**
Financial revenues	0.1	0.4	0.1	**0.6**	–0.5	**0.1**
Financial costs	–0.8	–0.8	–0.4	**–2.0**	0.1	**–1.9**
Financial result	**–0.7**	**–0.4**	**–0.3**	**–1.4**	**–0.4**	**–1.8**
Taxes on income	**0.0**	**–0.2**	**–0.1**	**–0.3**	**0.0**	**–0.3**
Assets	**120.6**	**167.2**	**5.2**	**293.0**	**27.1**	**320.1**
Liabilities	**19.4**	**17.0**	**48.3**	**84.7**	**70.9**	**155.6**
Gross capital expenditure	4.0	6.7	0.5	**11.2**	0.0	**11.2**

In millions of €	January – June 2011					
	Post-acute	Acute	Other activities	Subtotal	Reconcili-ation	Total
Sales	135.7	100.7	19.7	**256.1**	– 13.2	**242.9**
Thereof total sales	137.6	101.4	21.8	**260.8**	0.0	**260.8**
Thereof internal sales	1.9	0.7	2.1	**4.7**	13.2	**17.9**
Raw materials and consumables used	– 32.4	– 27.5	– 6.7	**– 66.6**	12.4	**– 54.2**
Staff costs	– 72.1	– 50.9	– 16.6	**– 139.6**	– 1.6	**– 141.2**
Other operating expenses	– 35.3	– 12.2	– 4.2	**– 51.7**	6.8	**– 44.9**
Segment result	**– 2.6**	**8.6**	**– 2.4**	**3.6**	**– 1.8**	**1.8**
Thereof non-cash items:						
Scheduled depreciations/write-ups	– 3.7	– 7.3	– 0.5	**– 11.5**	0.0	**– 11.5**
Unscheduled depreciations/write-ups	0.0	0.0	0.0	**0.0**	0.0	**0.0**
Release of special item	0.1	3.9	0.0	**4.0**	0.0	**4.0**
Allowances	– 0.1	– 0.1	0.0	**– 0.2**	0.0	**– 0.2**
Allocation of provisions/liabilities	– 6.9	– 4.8	– 1.6	**– 13.3**	– 0.1	**– 13.4**
Release of provisions/liabilities	2.7	1.1	0.0	**3.8**	0.0	**3.8**
Financial revenues	0.1	0.1	0.2	**0.4**	– 0.3	**0.1**
Financial costs	– 0.6	– 0.8	– 0.1	**– 1.5**	– 1.2	**– 2.7**
Financial result	**– 0.5**	**– 0.7**	**0.1**	**– 1.1**	**– 1.5**	**– 2.6**
Taxes on income	**0.0**	**– 0.3**	**– 0.2**	**– 0.5**	**– 0.2**	**– 0.7**
Assets	**112.6**	**166.1**	**4.6**	**283.3**	**43.3**	**326.6**
Liabilities	**22.2**	**17.3**	**46.7**	**86.2**	**79.3**	**165.5**
Gross capital expenditure	5.8	5.3	0.3	**11.4**	0.0	**11.4**

Segment results and net assets in quarterly comparison

In millions of €	April – June 2012					
	Post-acute	Acute	Other activities	Subtotal	Reconcili-ation	Total
Sales	74.8	50.0	12.9	**137.7**	–9.0	**128.7**
Thereof total sales	75.9	50.3	14.1	**140.3**	0.0	**140.3**
Thereof internal sales	1.1	0.3	1.2	**2.6**	9.0	**11.6**
Raw materials and consumables used	–17.3	–14.1	–4.8	**–36.2**	8.5	**–27.7**
Staff costs	–36.8	–26.3	–9.6	**–72.7**	–0.6	**–73.3**
Other operating expenses	–17.2	–6.7	–2.7	**–26.6**	3.1	**–23.5**
Segment result	**3.0**	**1.5**	**–1.3**	**3.2**	**–0.9**	**2.3**
Thereof non-cash items:						
Scheduled depreciations/write-ups	–2.1	–3.8	–0.1	**–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	2.0	0.0	**2.1**	0.0	**2.1**
Allowances	–0.1	0.0	0.0	**–0.1**	0.0	**–0.1**
Allocation of provisions/liabilities	0.1	–0.3	0.4	**0.2**	–0.2	**0.0**
Release of provisions/liabilities	0.2	0.2	0.1	**0.5**	0.0	**0.5**
Financial revenues	0.1	0.2	0.1	**0.4**	–0.4	**0.0**
Financial costs	–0.4	–0.4	–0.3	**–1.1**	0.3	**–0.8**
Financial result	**–0.3**	**–0.2**	**–0.2**	**–0.7**	**–0.1**	**–0.8**
Taxes on income	**0.0**	**–0.1**	**–0.1**	**–0.2**	**–0.3**	**–0.5**
Assets (change)	**1.0**	**4.0**	**–0.2**	**4.8**	**–6.2**	**–1.4**
Liabilities (change)	**0.8**	**–1.1**	**0.1**	**–0.2**	**–2.1**	**–2.3**
Gross capital expenditure	1.8	2.5	0.4	**4.7**	0.0	**4.7**

In millions of €	April – June 2011					
	Post-acute	Acute	Other activities	Subtotal	Reconcili-ation	Total
Sales	69.4	50.3	10.0	**129.7**	–6.8	**122.9**
Thereof total sales	70.3	50.5	11.2	**132.0**	0.0	**132.0**
Thereof internal sales	0.9	0.2	1.2	**2.3**	6.8	**9.1**
Raw materials and consumables used	–16.2	–13.8	–3.6	**–33.6**	6.3	**–27.3**
Staff costs	–36.1	–25.0	–8.4	**–69.5**	–0.8	**–70.3**
Other operating expenses	–17.7	–6.2	–2.1	**–26.0**	3.3	**–22.7**
Segment result	**0.7**	**4.0**	**–1.4**	**3.3**	**–1.0**	**2.3**
Thereof non-cash items:						
Scheduled depreciations/write-ups	–1.9	–3.7	–0.2	**–5.8**	0.0	**–5.8**
Unscheduled depreciations/write-ups	0.0	0.0	0.0	**0.0**	0.0	**0.0**
Release of special item	0.0	2.0	0.0	**2.0**	0.0	**2.0**
Allowances	0.0	–0.1	0.0	**–0.1**	0.0	**–0.1**
Allocation of provisions/liabilities	0.1	–0.4	0.0	**–0.3**	–0.2	**–0.5**
Release of provisions/liabilities	1.9	0.1	0.0	**2.0**	0.0	**2.0**
Financial revenues	0.1	0.0	0.2	**0.3**	–0.2	**0.1**
Financial costs	–0.3	–0.4	0.0	**–0.7**	–0.7	**–1.4**
Financial result	**–0.2**	**–0.4**	**0.2**	**–0.4**	**–0.9**	**–1.3**
Taxes on income	**0.0**	**–0.2**	**–0.1**	**–0.3**	**–0.2**	**–0.5**
Assets (change)	**2.2**	**–0.5**	**–0.1**	**1.6**	**–10.7**	**–9.1**
Liabilities (change)	**–2.9**	**–2.3**	**–0.4**	**–5.6**	**–1.7**	**–7.3**
Gross capital expenditure	4.5	3.0	0.1	**7.6**	0.0	**7.6**

The **nursing care and service business areas**, which are grouped together under other activities, recorded sales in the first half-year of 2012 of EUR 25.6 mill. (1 HY 2011: EUR 19.7 mill.). The nursing care business area generated sales in the first six months of 2012 of EUR 6.4 mill. (1 HY 2011: EUR 5.8 mill.).

In total, an average 1,052 full-time employees were employed here in the first half-year of 2012 (1 HY 2011: 855 full-time employees), with the nursing care business area accounting for an average 167 of this (1 HY 2011: 152 full-time employees).

Development of the segments in quarterly comparison

The comparison with the second quarter of last year shows the result of the second quarter of 2012 to have improved noticeably in the **post-acute segment** by EUR 2.3 mill. to EUR 3.0 mill. in response to the marked rise in sales.

The number of nursing days rose by 25,686 days or 5.4 % and the number of cases by 711 cases or 3.7 %.

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

In nursing days	Q2 2012	Q2 2011	Change in %	Share Q2 2012 in %
Subsequent nursing treatment	310,230	312,307	−0.7	61.9
Curative treatment	183,242	155,571	+17.8	36.6
Other	7,510	7,418	+1.2	1.5
Post-acute segment	**500,982**	**475,296**	**+5.4**	**100.0**

The **result of the acute segment** posted a decline of EUR 2.5 mill. The decline in the segment result to EUR 1.5 mill. can be primarily attributed to higher operating expenses which exceeded the expenses of the corresponding quarter by altogether EUR 2.1 mill. Personnel expenses accounted for EUR 1.3 mill. of this increase and maintenance costs and purchases of medical services for in each case EUR 0.3 mill.

The quarterly development of the **business areas nursing care and service** corresponds with the development of the half-year results.

Share of specific coverage provider groups

IFRS (IFRS 8.34 "Information about Transactions with Major Customers") requires a company to provide information on the 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 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, in the first half-year of 2012 the statutory health insurance funds accounted for 39.7 % (1 HY 2011: 43.1 %) and the social security pension funds for 51.3 % (1 HY 2011: 47.4 %) of the demand for services in the post-acute segment. In the acute segment, the public health insurance funds accounted for 92.8 % (1 HY 2011: 91.8 %) of the demand for services.

Report concerning related parties

Business relations to related parties and companies during the first six 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 €	1 HY 2012	1 HY 2011
Income		
Revenues from post-acute, acute and nursing care services	0.9	0.8
Real estate management income	0.2	0.2
Expenses		
Leasing expenses	21.3	20.7
Real estate management costs	0.4	0.4
Insurance premiums	0.6	0.7
Interest expenses	0.3	2.0
Service contracts	2.6	2.7

In millions of €	30.06.2012	31.12.2011
Receivables		
Repayment claims from preliminary financing 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
from leasing	0.1	0.0
Service contracts	0.4	0.7

Risk and opportunity report

No new noteworthy risks or opportunities arose during the first six 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.

Subsequent events and future prospects

On 6 July 2012, the interest for a partial amount of EUR 30.0 mill. of the syndicated loan of a total of EUR 50.0 mill. was hedged in form of a rate cap agreement. The key data of this rate cap agreement are:

Term	from 31.07.2012 to 31.01.2017
Cap rate	2.8 % p.a.
Reference amount	EUR 30,000,000.00
Reference rate	EUR-EURIBOR-Reuters interest rate for 6 months
Premium	EUR 173 thou.

Current economic and sector developments

The results of the surveys and analyses carried out by German economic research institutes and published at the end of July 2012 reveal a degree of deterioration in the business climate and expectations for the second half-year of 2012. The still unresolved problems in connection with the sovereign debt crisis of some of the eurozone countries are increasingly depressing growth in Germany. In particular demand for capital goods from a number of European neighbouring countries can be seen retreating in response to the euro crisis, with the export industry expected to post a decline in new orders from these regions.

Despite this, the Economic Barometer of the German Institute for Economic Research (Deutsches Institut für Wirtschaftsforschung – DIW Berlin) is signalling a slight increase in gross domestic product (GDP) by 0.3 % for the third quarter of 2012 compared with the second quarter, but only on condition that the global economy develops positively and that, most importantly, there is a rise in domestic demand. As for the labour market, the institutes expect the employment situation to remain stable.

There are also new forecasts for national deficit. Thanks to the good economic development, the ratio of national deficit to GDP is only expected to pan out at around 0.5 % for 2012. While fulfilling the specifications of the "Maastricht criteria", which demand that the annual deficit of a member state of the eurozone may not exceed the reference rate of 3 % of GDP, Germany still fails to meet the reference rate for debt. The reference rate for the maximum debt ratio (i.e. the ratio of debt to GDP) stipulated in the Stability and Growth Pact of the European Union has been fixed at 60 %. Germany's ratio for 2012 is expected to exceed 80 %. Germany has regularly overstepped this reference rate since the year 2002.

After achieving a surplus in 2011, the financial situation of the statutory health insurance funds continued to develop well in 2012, based on the favourable situation on the labour market and the measures to curb expenditure, especially in the area of drugs and administrative expenses of the health insurance funds. According to the preliminary financial results for the months January to March 2012, income of EUR 47.5 bill. exceeded expenses of EUR 46.0 bill. by EUR 1.5 bill. The total surplus lies at the level of the same period of last year. According to estimates of the Federal Ministry of Health for 2012, the health care funds and the health insurance funds have financial reserves at their disposal estimated to lie in the region of EUR 20 bill. at the end of the first quarter of 2012, with the health insurance funds accounting for a good EUR 11.5 bill. and the health care funds for around EUR 8.5 bill. of this amount. Despite still recording a seasonally usual deficit for the first quarter of 2012 of EUR 1.1 bill., the health care funds are expected to achieve a surplus for the whole of 2012. Besides the stable labour market conditions, other reasons for this are contributory one-off payments such as holiday and Christmas allowances, higher wage settlements and pension increases as of 1 July 2012.

Thus, despite the economic risks in the eurozone, the German Ministry of Health expects that the statutory health insurance funds and the health care funds will show a solid financial base at the end of 2012.

New legal regulations

On 23 May 2012 the Federal Cabinet approved the statutory draft on the improvement of patients' rights (Patientenrechtegesetz). The objective is to define a set of rules to protect the interests of patients, treating persons and other persons involved in the health care sector in a particular position.

On 14 June 2012 the German Bundestag passed the Act on the Introduction of a Flat-rate Payment System for Psychiatric and Psychosomatic Facilities (Gesetz zur Einführung eines pauschalierenden Entgeltsystems für psychiatrische und psychosomatische Einrichtungen – PsychEntgeltgesetz). The new act aims to improve the funding of such hospitals in Germany and to strengthen the service orientation and transparency of inpatient care of the mentally sick.

Also in June, on 29 June 2012, the German Bundestag passed the Act on the Reorientation of Nursing Care Insurance (Pflege-Neuausrichtungsgesetz). The objective is to more suitably align the services of the nursing care insurance with the special needs of people suffering from dementia. To secure the future financing of the nursing care insurance and make it more equitable to the generations the contribution rate is to be raised by 0.1 percentage points as of 1 January 2013 in order to finance these improvements to the nursing care service.

From 1 June 2012, a new contract regulating outpatient surgical operations (Vertrag zum ambulanten Operieren – AOP-Vertrag) came into force which since 2012 has permitted hospitals to also cooperate with panel doctors without in-patient doctor status for outpatient surgical operations. The German Hospital Federation (Deutsche Krankenhausgesellschaft e.V.), the National Association of Statutory Health Insurance Physicians (Kassenärztliche Bundesvereinigung) and the umbrella association of the statutory health insurance funds (GKV Spitzenverband), as contracting partners on the federal level, have adjusted the AOP-Vertrag to the new statutory regulations enshrined in the Act to Improve the Provision Structure of Nursing Care (Versorgungsstrukturgesetz).

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 sector and the referral behaviour of the coverage providers do not seriously change. As regards external expansion, MediClin will behave opportunistically and will, as before, base a decision on a potential acquisition on the company's own strict acquisition criteria.

MEDICLIN Aktiengesellschaft

Offenburg, 10 August 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 30 June 2012

Consolidated interim balance sheet as of 30 June 2012

ASSETS

In thousands of €		30.06.2012	31.12.2011
NON-CURRENT ASSETS			
Intangible assets			
Concessions, licences	1,593		1,710
Goodwill	50,056		50,056
Payments on account	246		239
		51,895	**52,005**
Property, plant and equipment			
Land, land rights and buildings including buildings on third-party land	112,436		114,468
Technical equipment and machines	8,950		8,499
Operating and office equipment	29,944		30,047
Payments on account and assets under construction	5,422		1,537
		156,752	**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	344		346
Receivables pursuant to hospital financing law	2,300		0
		2,644	**346**
Deferred tax assets		**4,242**	**4,019**
		217,104	**212,492**
CURRENT ASSETS			
Inventories		**6,419**	**6,778**
Trade receivables		**62,507**	**58,066**
Other current assets			
Prepaid expenses	3,699		1,414
Receivables pursuant to hospital financing law	3,550		2,965
Other assets	3,702		5,464
		10,951	**9,843**
Current tax refund claims		**79**	**79**
Cash and cash equivalents		**23,079**	**41,336**
Assets held for sale		**0**	**236**
		103,035	**116,338**
		320,139	**328,830**

EQUITY AND LIABILITIES

In thousands of €		30.06.2012	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	– 12,346		– 11,357
		164,563	**165,552**
Non-controlling interests		– 1	37
		164,562	**165,589**
NON-CURRENT LIABILITIES			
Non-current financial liabilities			
Liabilities to banks	61,430		14,115
Other financial liabilities	8,250		8,576
		69,680	**22,691**
Other non-current liabilities		**44**	**46**
Non-current provisions			
Provisions for pensions and similar commitments	28,036		27,628
Other provisions	5,857		5,889
		33,893	**33,517**
Deferred tax liabilities		**3,085**	**2,799**
		106,702	**59,053**
CURRENT LIABILITIES			
Trade payables		**14,974**	**14,623**
Current financial liabilities			
Liabilities to banks and insurance companies	7,665		66,585
Other financial liabilities	718		741
		8,383	**67,326**
Other current liabilities			
Liabilities pursuant to hospital financing law	3,986		2,976
Other liabilities	19,114		16,368
		23,100	**19,344**
Current provisions		**2,293**	**2,895**
Current tax liabilities		**125**	**0**
		48,875	**104,188**
		320,139	**328,830**

Consolidated interim statement of comprehensive income

In thousands of €	January – June 2012	January – June 2011	April – June 2012	April – June 2011
I. CONSOLIDATED PROFIT AND LOSS ACCOUNT				
Sales	254,119	242,893	128,719	122,914
Other operating income	3,659	6,673	1,918	3,437
Total operating performance	**257,778**	**249,566**	**130,637**	**126,351**
Raw materials and consumables used				
a) Cost of raw materials and supplies	–31,071	–30,525	–15,839	–15,700
b) Cost of purchased services	–24,025	–23,688	–11,878	–11,584
	–55,096	**–54,213**	**–27,717**	**–27,284**
Staff costs				
a) Wages and salaries	–124,798	–119,988	–61,371	–59,126
b) Social security, pension and retirement	–22,320	–21,206	–11,909	–11,135
	–147,118	**–141,194**	**–73,280**	**–70,261**
Depreciation and amortisation	–7,919	–7,468	–3,951	–3,784
Other operating expenses	–46,586	–44,920	–23,476	–22,716
Operating result	**1,059**	**1,771**	**2,213**	**2,306**
Financial result				
a) Other financial revenues	74	127	21	77
b) Other financial costs	–1,853	–2,689	–770	–1,341
	–1,779	**–2,562**	**–749**	**–1,264**
Result before tax	**–720**	**–791**	**1,464**	**1,042**
Taxes on income	–307	–739	–504	–509
Result after tax	**–1,027**	**–1,530**	**960**	**533**
Thereof attributable to shareholders of MediClin AG	–989	–1,493	978	521
Thereof attributable to non-controlling interests	–38	–37	–18	12
II. OTHER COMPREHENSIVE INCOME				
Offset of negative non-controlling interests	0	0	0	0
III. OVERALL RESULT	**–1,027**	**–1,530**	**960**	**533**
Thereof attributable to shareholders of MediClin AG	–989	–1,493	978	521
Thereof attributable to non-controlling interests	–38	–37	–18	12
Result after tax attributable to shareholders of MediClin AG per share				
Undiluted (in €)	–0.02	–0.03	0.02	0.01
Diluted (in €)	–0.02	–0.03	0.02	0.01

Consolidated cash flow statement

In thousands of €	January – June 2012	January – June 2011
Operating result (EBIT)	**1,059**	**1,771**
Result of finance activities	–1,779	–2,562
Result of income taxes	–307	–739
Total consolidated result	**–1,027**	**–1,530**
Depreciation on fixed asset items	7,919	7,468
Change in deferred taxes	64	296
Change in non-current provisions	376	510
Change in current provisions	–602	–3,959
Result from the disposal of fixed asset items	–26	–10
Change in non-current tax refund claims	2	–2
Change in other non-current assets	–2,300	0
Change in other current assets	–4,634	2,479
Change in other non-current liabilities	–2	0
Change in other current liabilities	2,761	–2,408
Cash flow from operating activities	**2,531**	**2,844**
Payments received from the disposal of fixed assets	**563**	**141**
From the disposal of property, plant and equipment	563	141
Payments received from investment subsidies	**351**	**1,501**
Cash used for investments in fixed assets	**–9,747**	**–9,523**
In intangible assets	–459	–513
In property, plant and equipment	–9,288	–9,010
Cash flow from investing activities	**–8,833**	**–7,881**
Dividend distribution to shareholders of MediClin AG	0	–2,375
Assumption of financial liabilities	51,200	0
Repayment of financial liabilities	–63,155	–2,139
Cash flow from financing activities	**–11,955**	**–4,514**
Cash flow for the period	**–18,257**	**–9,551**
Cash and cash equivalents at beginning of period	41,336	47,955
Cash and cash equivalents at end of period	**23,079**	**38,404**

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	–	–	–
Distribution of dividends	–	–	–
As of 30.06.2011	**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 30.06.2012	**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
–1,493	–	–1,493	–37	–1,530
–2,375	–	–2,375	–	–2,375
–15,855	**0**	**161,054**	**28**	**161,082**

Consolidated balance sheet result	Treasury stock	Shares MediClin Group	Non-controlling interests	Total equity
–11,357	0	165,552	37	165,589
–989	–	–989	–38	–1,027
–12,346	**0**	**164,563**	**–1**	**164,562**

Other information

General information

The unaudited consolidated interim financial report of MEDICLIN Aktiengesellschaft for the first six months of the 2012 financial year was prepared in accordance with 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 interim report should be read in conjunction with the Company’s 2011 annual report and the interim report for the first quarter of 2012.

EU-Endorsement

In the Official Journal of 6 June 2012 (Decree (EU) No. 475/2012 of 5 June 2012), the European Union published the amendments to IAS 1 “Presentation of Financial Statements – Presentation of Other Comprehensive Income” and to IAS 19 “Employee Benefits”.

The objective of the amendments to IAS 1 is to clarify the presentation of the growing number of items recognised in other comprehensive income and to make it easier for addressees of the financial statements to distinguish between items of other comprehensive income which could be reclassified to profit and loss at a future point in time and items which will never be reclassified. The amendments to IAS 1 become effective from the first financial year beginning on or after 1 July 2012. MediClin does not expect the amendments to have any material effects on the financial statements.

The objective of the amendments to IAS 19 is to make it easier for addressees of the financial statements to comprehend the way in which defined benefit plans influence a company’s finances, earnings and cash flows.

The amendments primarily relate to the following

- The removal of the “corridor method” and the recognition of actuarial gains and losses in other comprehensive income (OCI),
- Calculation of financial costs and benefit commitments as the net position from defined planned assets and pension obligations using the uniform discount rate in accordance with IAS 19 Tz 78 (net interest approach),
- Taking into account the costs for administering pension plans into the actuarial gains and losses for calculating the recognition value of the benefit obligation and the service cost,
- Expanded notes, e.g. information on funding strategies for pension plans and their financial risks, sensitivity analyses for changes to significant valuation assumptions and the average remaining terms of the pension obligations.

As MediClin uses the corridor method, the abolition of the method will generally lead to an increase in the pension obligations in the first year at a corresponding decline in revenue reserves. In subsequent years, the changes to actuarial gains and losses will result in corresponding fluctuations to both these items. Because the plan assets for the pension plans only play a subordinate role, the company does not expect the change to the interest rate applied to have any substantial repercussions for the calculation of the reserves. The amendments to IAS 19 shall become effective from the first financial year beginning on or after 1 January 2013.

On 1 June 2012, the Accounting Regulatory Committee (ARC) adopted a directive which makes provisions for the first-time mandatory application of IFRS 10 "Consolidated Financial Statements", IFRS 11 "Joint Arrangements", IFRS 12 "Disclosure of Interests in Other Entities", IAS 27 "Separate Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures" for financial years beginning on or after 1 January 2014. A (voluntary) premature application of these new consolidation standards will be admissible after these standards have been endorsed by the EU. The mandatory effective date for the first-time application for EU-IFRS users will therefore deviate from the IASB effective date of 1 January 2013. The ARC assumes a regulatory function and makes statements on the Commission's proposals regarding the adoption of an international accounting standard.

Standards adopted by the IASB in the meantime

On 17 May 2012, the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) published the "Improvements to the IFRS 2009 – 2011" (Annual Improvements), thereby amending five International Financial Reporting Standards (IFRSs).

The amendments relating to the following:

Standard	Amendment
IFRS 1: "First-time Adoption of International Financial Reporting Standards"	Repeated application of IFRS 1; borrowing costs
IFRS 1: "Presentation of Financial Statements"	Clarification of the requirements for comparative information
IAS 16: "Property, Plant and Equipment"	Classification of servicing equipment
IAS 32: "Financial Instruments: Presentation"	Tax effects of distributions to holders of equity instruments
IAS 34: "Interim Financial Reporting"	Interim financial reporting and segment information for total assets and liabilities

On 28 June 2012, the IASB published amendments to the transition guidance of IFRS 10 "Consolidated Financial Statements", IFRS 11 "Joint Arrangements" and IFRS 12 "Disclosure of Interests in Other Entities". The objective of the amendments is to clarify the transition

guidance in IFRS 10. The amendments also contain further simplifications for the transition to IFRS 10, IFRS 11 and IFRS 12. Adjusted comparative information is demanded solely for the preceding comparison period. Furthermore, the obligation to state comparative information for periods before the first application of IFRS 12 does not apply to the disclosures on non-consolidated structured entities made in the notes to the financial statements.

The amendments become effective for reporting years beginning on or after 1 January 2013.

These amendments are not yet obligatory because they have not yet been endorsed by the EU. MediClin does not expect these amendments to have any substantial effects for the financial statements.

Annual General Meeting resolutions from 23 May 2012:

- The carrying forward of the balance sheet profit as of 31 December 2011 of EUR 16,208,184.88 carried over to the new accounting period,
- The election of Mr. Stephan Leonhard, Dr. Jochen Messemer and Dr. Ulrich Wandschneider to the Supervisory Board,
- The discharge of the Management Board and Supervisory Board for the 2011 financial year,
- The election of BDO AG Wirtschaftsprüfungsgesellschaft, Hamburg, as auditor and Group auditor for the 2012 financial year.

Responsibility statement by the Management Board

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the consolidated interim financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group. The interim Group management report includes a fair review of the development and performance of the business and the position of the Group, together with a description of principal opportunities and risks associated with the expected development of the Group for the remaining months of the financial year.

MEDICLIN Aktiengesellschaft

Offenburg, 10 August 2012

The Management Board

Corporate decision-making bodies

Management Board

Frank Abele, Chairman of the Management Board
Jens Breuer, Chief Financial Officer

Supervisory Board

Dr. Ulrich Wandschneider, Chairman
Hans Hilpert[1], Vice Chairman
Michael Bock
Dr. Daniel von Borries
Gerd Dielmann[1]
Prof. Dr. Erich Donauer[1]
Carsten Heise
Stephan Leonhard
Dr. Jochen Messemer
Klaus Müller[1]
Udo Rein[1]
Uwe Rohde[1]

[1] Employee representatives

Supervisory Board Committees

General and Personnel Committee
Dr. Ulrich Wandschneider (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. Ulrich Wandschneider (Chairman)
Hans Hilpert
Dr. Jochen Messemer
Udo Rein

Nomination Committee
Dr. Ulrich Wandschneider (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	Q2 2012	Q1 2012	Q2 2011	Q1 2011
Earnings un/diluted	0.02	–0.04	0.01	–0.04
Cash flow from operating activities	–0.01	0.06	–0.03	0.09
Book value[1] at end of quarter	3.46	3.44	3.39	3.43
Share price at end of quarter	4.05	3.59	4.15	4.29
52-week high	4.20	–	–	–
52-week low	3.50	–	–	–
Market capitalisation at end of quarter in millions of €	192.4	170.5	197.1	203.8
Number of shares in millions	47.50	47.50	47.50	47.50

[1] Equity less non-controlling interests
Source: Deutsche Börse AG; Xetra/status: 02.07.2012

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
1 March 2013	Presentation of the interim figures for the 2012 financial year
22 March 2013	Financial statements press and analysts' conference for the 2012 financial year
15 May 2013	Publication of the interim report for the 1st quarter 2013
23 May 2013	Annual General Meeting
14 August 2013	Publication of the interim report 1st half-year 2013
13 November 2013	Publication of the interim report for the 1st – 3rd quarter 2013

Imprint

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This interim report appears
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