

MediClin integrates.



Q1 | **INTERIM REPORT**
MEDICLIN Aktiengesellschaft
1 January 2013 to 31 March 2013

Key data of the quarterly business development in the Group

In millions of €	Q1 2013	Q1 2012
Sales	124.5	125.4
Operating result (EBIT)	-5.9	-0.8
EBIT margin in %	-4.7	-0.6
EBITDA margin in %	-1.2	2.6
EBITDAR margin in %	7.8	11.4
Financial result	-0.8	-1.4
Result attributable to shareholders of MediClin AG	-6.5	-2.0
Cash flow from operating activities	-5.8	2.8
Balance sheet total	312.9	321.5
Non-current assets incl. tax refund claims and deferred tax assets	222.3	217.3
Current assets incl. tax refund claims	90.6	104.2
Thereof cash and cash equivalents	10.0	28.3
Equity	150.5	163.6
Equity ratio in %	48.1	50.9
Non-current liabilities incl. deferred tax liabilities	111.8	104.6
Current liabilities incl. tax liabilities	50.6	53.3
Gross capital expenditure	4.8	6.5
Net financial debt	73.1	41.2
Number of full-time employees (quarterly average)	6,352	6,155
Sales per full-time employee in €	19,594	20,374
Staff costs per full-time employee in €	12,193	11,933
Occupancy rate in %	83.7	86.0
Un/diluted earnings per share in €	-0.14	-0.04
Cash flow from operating activities per share in €	-0.12	0.06
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 **Every second counts. Life after a stroke!**

Find more information on the inside of the last page.

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

Following a significant decline in the occupancy rate at the end of 2012 and a weak January 2013, the occupancy rate has been steadily climbing since February and is already back at the previous year's level. An encouraging point to note is that the capacities for neurological and psychosomatic treatment, which were newly created last year in our specialist clinics, are already utilised and therefore evidence the fact that we are concentrating on and expanding in the right medical fields.

Result for first quarter 2013 burdened by higher costs

In the first quarter 2013, Group sales of EUR 124.5 mill. were EUR 0.9 mill. or 0.7% lower than in the first quarter of 2012. The sales generated in the post-acute segment of EUR 70.7 mill. were at the same level as the previous year's value, while sales in the acute segment of EUR 49.6 mill. were EUR 1.0 mill. lower than in the same period last year. Sales in the nursing care business area of EUR 3.3 mill. were EUR 0.1 mill. higher than in the previous year.

As no sales growth was achieved in the first quarter 2013, the result was burdened by the higher costs. The Group operating result amounted to EUR –5.9 mill., which was EUR 5.1 mill. below the previous year's comparative amount. Due in particular to new recruitments, staff costs have risen by EUR 4.0 mill. compared with the same quarter of the previous year, and material costs by EUR 0.7 mill.

MediClin continues to invest in growth fields

A good EUR 4.8 mill. (gross) was invested in non-current assets in the first three months of 2013. A further EUR 4.2 mill. was spent on repairs and maintenance. The Management Board continues to apply the restructuring measures commenced in mid-2012 in order to align the hospitals to demand segments and to the changing market conditions. Current examples are the two new specialist clinics for neurological rehabilitation, MediClin Reha-Zentrum Spreewald in Burg and MediClin Klinik am Brunnenberg in Bad Elster.

Outlook

MediClin will continue to invest in medical fields that signal rising demand. Demand for health services is being decisively influenced by the demographic development and the requirements accompanying this.

As regards the development of business this year, the previous guidance is being confirmed at this point in time.



Frank Abele
Chairman of the Management Board

**Interim Group management report of
MEDICLIN Aktiengesellschaft**
for the period from 1 January 2013 to 31 March 2013

Net assets, financial position and results of operations in the first quarter of 2013

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 report. The present interim report for the first three months of the 2013 financial year should therefore be read in conjunction with the annual report published for the 2012 financial year. The present interim report has not been reviewed by auditors. The figures disclosed for last year have been determined according to the same accounting and valuation principles in order to ensure that the published figures are comparable with each other. In the 2012 financial year, use was made of the premature application of IAS 19 (2011). The changes were retrospectively applied. The notes to the financial statements of the 2012 annual report contain a detailed explanation of the effects which came about as a result of this conversion. The adjustments to the previous year's figures in the present quarterly report solely concern the reclassification of net interest expense from pension provisions (staff costs) under financial expenditure (EUR 389 thou.).

Development of sales in the Group and in the segments

In the first quarter of 2013, MediClin generated Group sales of EUR 124.5 mill. (Q1 2012: EUR 125.4 mill.). Sales were therefore EUR 0.9 mill. or 0.7% lower than the previous year's comparative amount. The main reason for this was the decline in sales in the acute segment by EUR 1.0 mill.

Sales in the Group and in the segments in quarterly comparison

In millions of €	Q1 2013	Q1 2012	Change in %
Post-acute	70.7	70.7	+/-0.0
Acute	49.6	50.6	-2.0
Other activities and reconciliation	4.2	4.1	+2.4
Thereof nursing care	3.3	3.2	+3.1
Group	124.5	125.4	-0.7

The share of outpatient healthcare in Group sales amounted to EUR 4.1 mill. or 3.3% (Q1 2012: EUR 4.2 mill. or 3.3%), with the medical care centres continuing to account for EUR 2.2 mill. of this amount.

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

In the Group, the number of accomplished nursing days and the number of cases has deteriorated compared with the same quarter of the previous year by 3.8 % or 23,704 days and by 4.5 % or 1,359 cases. As a result of this, the occupancy rate declined by 2.7 % to 83.7 % (Q1 2012: 86.0 %).

At 23,664 nursing days, the decline in **nursing days** relates almost entirely to the post-acute segment, while only a slight decline of 277 nursing days was recorded in the nursing care business area and a slight increase in the acute segment of 237 nursing days.

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

In days	Q1 2013	Q1 2012	Change in %
Post-acute	459,761	483,425	-4.9
Acute	109,017	108,780	+0.2
Other activities (only nursing care)	38,531	38,808	-0.7
Group	607,309	631,013	-3.8

All in all, the **number of cases** recorded a decline of 1,359 cases or 4.5 %, with the post-acute segment accounting for 1,213 cases and the acute segment for 146 cases.

Cases in the Group and in the segments in quarterly comparison

In cases	Q1 2013	Q1 2012	Change in %
Post-acute	18,178	19,391	-6.3
Acute	10,976	11,122	-1.3
Group (without nursing care)	29,154	30,513	-4.5

In the post-acute and acute segments, the **occupancy rate** dropped by 2.3 and 3.1 percentage points respectively, with part of the decline in the acute segment attributable to the higher number of beds compared to the same quarter last year. In the nursing care business area, the occupancy rate remains high.

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

In %	Q1 2013	Q1 2012
Post-acute	83.0	85.3
Acute	82.6	85.7
Other activities (only nursing care)	97.1	97.1
Group	83.7	86.0

Development of beds/places

Compared with the balance sheet date of 31 December 2012, the number of beds climbed by a total of 11 beds, with the post-acute segment recording a decline of 24 beds and the acute segment an increase of 35 beds. In the nursing care business area, the number of nursing care places remained unchanged.

A comparison with the same quarter of the previous year reveals a decline in the number of beds in the post-acute segment by 78 beds, while the number of beds rose in the acute segment by 54 beds and the number of places in the nursing care business area by 3 nursing care places.

Beds/places on reference date

Number	31.03.2013	31.12.2012	Change in %
Post-acute	6,157	6,181	-0.4
Acute	1,496	1,461	+2.4
Nursing care (places)	441	441	+/-0.0
Group	8,094	8,083	+0.1

Development of expenses

Raw materials and consumables used of EUR 28.1 mill. (previous year: EUR 27.4 mill.) climbed by EUR 0.7 mill. compared with the same quarter of the previous year, despite the decline in sales. The cost of materials ratio came to 22.6 %.

Raw materials and consumables used in quarterly comparison

	Q1 2013	Q1 2012	Change in %
Raw materials and consumables used in millions of €	28.1	27.4	+ 2.7
Cost of materials ratio in %	22.6	21.8	–

Staff costs climbed by EUR 4.0 mill. from EUR 73.4 mill. to EUR 77.4 mill. The increase can be essentially attributed to the higher average number of staff as well as to compensation adjustments. The staff cost ratio climbed to 62.2 %.

Staff costs in quarterly comparison

	Q1 2013	Q1 2012	Change in %
Staff costs in millions of €	77.4	73.4	+ 5.4
Staff costs ratio in %	62.2	58.6	–

Depreciation and amortisation increased by EUR 0.4 mill. to EUR 4.4 mill. (Q1 2012: EUR 4.0 mill.).

Other operating expenses amounted to EUR 23.0 mill. (Q1 2012: EUR 23.1 mill.). EUR 0.7 mill. higher expenses were offset by cost savings of EUR 0.8 mill. so that, on balance, expenses declined by EUR 0.1 mill. Larger reductions in expenses were recorded for rents and leases (EUR –0.2 mill.), expenses for advertising and public relations (EUR –0.2 mill.) and other administrative expenses (EUR –0.1 mill.). An increase in expenses was recorded for repairs and maintenance (EUR +0.3 mill.) and for charges and fees (EUR +0.1 mill.).

The **financial result** improved in response to lower interest expense by EUR 0.6 mill., from EUR –1.4 mill. to EUR –0.8 mill.

Development of the result in the Group and in the segments

The **Group operating result** of the first quarter 2013 amounted to EUR –5.9 mill., a reduction of EUR 5.1 mill. compared with the same quarter of the previous year. In addition to the EUR 0.9 mill. decline in sales, the reduction is largely attributable to higher costs and to the increase in expenses. Staff costs, which climbed by EUR 4.0 mill. or 5.4 %, accounted for the largest cost increase. Raw materials and consumables used climbed by EUR 0.7 mill., with EUR 0.3 mill. of this relating to higher expenses for raw materials and supplies and EUR 0.4 mill. to the cost of purchased services. Depreciation and amortisation climbed by EUR 0.4 mill., while a slight decline was recorded for other operating expenses of EUR 0.1 mill. Other operating income climbed by EUR 0.8 mill. compared with the same quarter of the previous year.

Group and segment results from operating activities in quarterly comparison

In millions of €	Q1 2013	Q1 2012
Post-acute	–4.2	–1.7
Acute	0.1	2.4
Other activities and reconciliation	–1.8	–1.5
Group	–5.9	–0.8

The results of the post-acute and acute segments were EUR 2.5 mill. and EUR 2.3 mill. lower than the previous year's comparative amount.

The **result before tax** of the first quarter 2013 amounted to EUR –6.8 mill., a reduction of EUR 4.6 mill. compared with the previous year's value (Q1 2012: EUR –2.2 mill.). Net of taxes on income and the share in profits attributable to non-controlling interests, the **Group quarterly result attributable to the shareholders of MediClin AG** amounted to EUR –6.5 mill. (Q1 2012: EUR –2.0 mill.).

The **un/diluted earnings per share** amounted to EUR –0.14 (Q1 2012: EUR –0.04).

Development of net assets

Balance sheet structure

In millions of €	31.03.2013	In % of balance sheet total	31.12.2012	In % of balance sheet total
Assets				
Non-current assets	222.3	71.0	222.3	69.5
Current assets	90.6	29.0	97.3	30.5
	312.9	100.0	319.6	100.0
Equity and liabilities				
Equity	150.5	48.1	157.0	49.1
Non-current liabilities	111.8	35.7	112.4	35.2
Current liabilities	50.6	16.2	50.2	15.7
	312.9	100.0	319.6	100.0

The **balance sheet total** of EUR 312.9 mill. decreased compared with the recording date 31 December 2012 by EUR 6.7 mill. or 2.1%, as reflected on the asset side of the balance sheet primarily in the decline in current assets. On the liabilities side, the decline is reflected in the equity due to the negative quarterly result.

Overall, **non-current assets** of EUR 222.3 mill. remained unchanged. Intangible assets recorded additions totalling EUR 0.1 mill. and property, plant and equipment a decline of EUR 0.5 mill. Deferred taxes rose by EUR 0.4 mill., from EUR 5.7 mill. to EUR 6.1 mill. Financial assets and other non-current assets remained unchanged.

Current assets declined as of the cut-off date by EUR 6.7 mill. to EUR 90.6 mill., with reductions being recorded particularly in cash and cash equivalents (EUR –12.9 mill.) and other assets (EUR –0.5 mill.). By comparison, increases were recorded in trade receivables (EUR +4.4 mill.), receivables pursuant to hospital financing law (EUR +1.3 mill.) and pre-paid expenses (EUR +1.1 mill.).

Equity amounts to EUR 150.5 mill., and decreased as a result of offsetting the quarterly loss. The equity ratio deteriorated by one percentage point from 49.1% to 48.1%.

Non-current liabilities posted a decline of EUR 0.6 mill., with redemption payments for the long-term bank loan and other loans (EUR –0.4 mill.) and the decline in long-term provisions (EUR –0.3 mill.) being offset by an increase in deferred taxes (EUR +0.1 mill.).

Compared with the recording date 31 December 2012, **current liabilities** have risen by a total of EUR 0.4 mill., with liabilities to banks and insurance companies having fallen by a total of EUR 3.4 mill., trade payables by EUR 2.7 mill. and liabilities pursuant to hospital financing law and short-term provisions by EUR 0.2 mill. each. This was offset by an increase of EUR 6.4 mill. in other liabilities and of EUR 0.6 mill. in short-term tax liabilities.

Development of the financial position

The **cash flow from operating activities** for the first three months of 2013 of EUR –5.8 mill. has declined compared with the first quarter of the previous year by EUR 8.6 mill. (Q1 2012: EUR 2.8 mill.).

The **cash flow from investing activities** amounts to EUR –3.3 mill. (Q1 2012: EUR –4.6 mill.). EUR 3.4 mill. was thus invested which was EUR 1.2 mill. lower than in the first quarter of 2012 (Q1 2012: EUR 4.6 mill.). Payments received from asset disposals and subsidies amounted to EUR 0.1 mill. (Q1 2012: EUR 0.1 mill.).

The **cash flow from financing activities** amounted to EUR –3.8 mill. (Q1 2011: EUR –11.3 mill.), and results from regular redemptions of the financing loans. All in all, **cash and cash equivalents** declined from EUR 12.9 mill. to EUR 10.0 mill. (31.12.2012: EUR 22.9 mill.).

Capital expenditure

In the first three months of 2013, investments in non-current assets were made in a gross amount of EUR 4.8 mill. (Q1 2012: EUR 6.5 mill.).

Gross additions to non-current assets in quarterly comparison

In thousands of €	Q1 2013	Q1 2012
Licences, concessions	465	261
Land, buildings	133	681
Technical equipment, EDP	40	1,125
Operating and office equipment	3,352	2,726
Payments on account and assets under construction	786	1,678
Financial assets	1	0
Total	4,777	6,471

Employees

The number of employees, calculated in terms of full-time employees, amounted to an average 6,352 full-time employees in the first three months of 2013 (Q1 2012: 6,155 full-time employees), an increase by a total of 197 full-time employees or 3.2% compared with the first quarter of 2012. In the first quarter 2013, an average 223 trainees were employed throughout the Group (Q1 2012: 212 trainees).

Number of employees in quarterly comparison

Shown in full-time employees	Q1 2013	Q1 2012	Change
Post-acute	3,264	3,123	+ 141
Acute	1,996	1,982	+ 14
Other activities	1,092	1,050	+ 42
Thereof nursing care	176	169	+ 7
Thereof service (including administration)	916	881	+ 35
Group	6,352	6,155	+ 197

The largest increase in employees of 4.5 %, calculated in terms of full-time employees, was recorded in the post-acute segment.

Sales per full-time employee in the first quarter 2013 dropped by 3.8 % to EUR 19,594 (Q1 2012: EUR 20,374). **Staff costs per full-time employee** increased in the same period by 2.2 % to EUR 12,193 (Q1 2012: EUR 11,933).

Key data per full-time employee in quarterly comparison

In €	Q1 2013	Q1 2012
Sales per full-time employee	19,594	20,374
Staff costs per full-time employee	12,193	11,933

Segment reporting

In the **post-acute segment**, sales of EUR 70.7 mill. were almost unchanged compared with the previous year's level. The expenses attributed to the segment (raw materials and consumables used, staff costs and other operating expenses) of EUR 74.4 mill. increased compared with the previous year's value (Q1 2012: EUR 71.6 mill.) by EUR 2.8 mill. or 3.9%. The staff cost ratio climbed to 54.5% (Q1 2012: 51.8%). The segment result for the first quarter 2013 thus amounted to EUR –4.2 mill. (Q1 2012: EUR –1.7 mill.).

In the post-acute segment, MediClin offers services which are allocated on the one hand to subsequent nursing treatment and on the other hand to curative treatment. Curative treatment also encompasses all the services offered in psychosomatics. All in all, the number of nursing days declined by 23,664 days, with curative treatment accounting for the largest decline of 13,629 days. In the first quarter 2013, subsequent nursing treatment accounted for 63.4% (Q1 2012: 62.2%) of the nursing days. The decline can be attributed in part to calendar effects. In the first quarter 2013 there were two working days fewer than in the first quarter 2012 and one to two holidays more (depending on the federal state).

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

In nursing days	Q1 2013	Q1 2012	Change in %	Share Q1 2013 in %
Subsequent nursing treatment	291,523	300,924	–3.1	63.4
Curative treatment	163,424	177,053	–7.7	35.5
Other	4,814	5,448	–11.6	1.1
Post-acute segment	459,761	483,425	–4.9	100.0

In the first quarter 2013, an average 3,264 full-time employees were employed in the post-acute segment (Q1 2012: 3,123 full-time employees).

In the **acute segment**, sales amounted to EUR 49.6 mill. (Q1 2012: EUR 50.6 mill.), and were thus 2.0% or EUR 1.0 mill. below the comparative amount of the previous year. An increase was recorded in the expenses attributed to the segment (raw materials and consumables used, staff costs and other operating expenses) of a total of EUR 0.8 mill., to EUR 48.1 mill. (Q1 2012: EUR 47.3 mill.), due in particular to higher staff costs. The staff cost ratio amounts to 56.1% (Q1 2012: 53.0%). The increase in staff costs can be attributed to higher collective wage settlements and a 0.7% higher number of employees. The segment result declined by EUR 2.3 mill. to EUR 0.1 mill. (Q1 2012: EUR 2.4 mill.).

In the acute segment, an average 1,996 full-time employees (Q1 2012: 1,982 full-time employees) were employed in the first three months of 2013.

Segment results and net assets in quarterly comparison

In millions of €	January – March 2013					
	Post-acute	Acute	Other activities	Subtotal	Reconciliation	Total
Sales	70.7	49.6	16.3	136.6	-12.1	124.5
Thereof total sales	71.7	50.2	17.6	139.5	0.0	139.5
Thereof internal sales	1.0	0.6	1.3	2.9	12.1	15.0
Raw materials and consumables used	-18.0	-14.0	-8.0	-40.0	11.9	-28.1
Staff costs	-38.5	-27.8	-10.4	-76.7	-0.7	-77.4
Other operating expenses	-17.9	-6.3	-2.3	-26.5	3.5	-23.0
Segment result	-4.2	0.1	-1.2	-5.3	-0.6	-5.9
Thereof non-cash items:						
Scheduled depreciations/write-ups	-2.1	-4.0	-0.3	-6.4	0.0	-6.4
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	-7.0	-4.9	-2.2	-14.1	-0.2	-14.3
Release of provisions/liabilities	0.4	0.2	0.4	1.0	0.1	1.1
Financial revenues	0.1	0.0	0.1	0.2	-0.2	0.0
Financial costs	-0.4	-0.4	-0.2	-1.0	0.2	-0.8
Financial result	-0.3	-0.4	-0.1	-0.8	0.0	-0.8
Taxes on income	0.0	-0.1	0.3	0.2	0.0	0.2
Assets	124.2	166.6	6.4	297.2	15.7	312.9
Liabilities	21.1	17.6	57.6	96.3	66.1	162.4
Gross capital expenditure	2.5	1.4	1.2	5.1	-0.4	4.8

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	–9.4	–72.7	–0.7	–73.4
Other operating expenses	–17.9	–6.6	–2.3	–26.8	3.7	–23.1
Segment result	–1.7	2.4	–0.8	–0.1	–0.7	–0.8
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	–0.5	–1.3	–0.2	–1.5
Financial result	–0.4	–0.2	–0.5	–1.1	–0.3	–1.4
Taxes on income	0.0	–0.1	0.0	–0.1	0.3	0.2
Assets	118.9	163.9	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 the **other activities segment**, sales of EUR 16.3 mill. (Q1 2012: EUR 12.7 mill) were reported. The nursing care business area accounts for EUR 3.3 mill. (Q1 2012: EUR 3.2 mill.) of this amount.

In the first three months of 2013, an average 1,092 full-time employees were employed in this segment (Q1 2011: 1,050 full-time employees), 176 of whom were employed in the nursing care business area (Q1 2012: 169 full-time employees) and 916 in the service business area (Q1 2012: 881 full-time employees).

Share of specific coverage provider groups

IFRS (IFRS 8.34 "Information about Transactions with Major Customers") require a company to provide information on the degree of dependency on its most important customers.

Due to its activities as a nationwide hospital operator, the major customers for the MediClin Group are the statutory social security pension funds and the public health insurance funds which account for around 90 % of total demand for 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 in terms of nursing days provided. On the basis of these statistics, in the first three months of 2013 the public health insurance funds accounted for 41.7 % (Q1 2012: 39.7%) and the social security pension funds for 49.0 % (Q1 2012: 51.5 %) of the demand for services in the post-acute segment. In the acute segment, the public health insurance funds continued to account for 92.7 % (Q1 2012: 92.7%) of the demand for services.

Report concerning related parties

Business relations to related parties and companies during the first three months of 2013 were the same as to the parties and companies listed in the 2012 annual report. Business relations to related parties and companies are handled at standard market terms and are presented as follows:

In millions of €	Q 1 2013	Q1 2012
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	10.8	10.6
Real estate management costs	0.2	0.2
Insurance premiums	0.3	0.3
Interest expenses	0.0	0.3
Service contracts	1.7	1.5
In millions of €	31.03.2013	31.12.2012
Receivables		
Repayment claims from preliminary financing building measures	0.4	0.4
Receivables from post-acute, acute and nursing care services	0.1	0.1
Liabilities		
Service contracts	0.7	0.6

Risk and opportunity report

No new noteworthy risks or opportunities arose during the first three months of the 2013 financial year, and there were no changes in the risk and opportunity management; hence we refer to the information provided in the 2012 annual report.

Subsequent events and future prospects

Since 31 March 2013 there have been no occurrences of events of particular significance which MediClin believes could have a material impact on the group's net assets, financial position and results of operations.

Current economic and sector developments

According to the Deutsche Bundesbank's Monthly Report for April, the improvement in sentiment in the German economy evident since November 2012 failed to continue towards the end of the first quarter. The conclusion drawn by the ifo Institut (Leibniz-Institut für Wirtschaftsforschung an der Universität München e.V.) from the ifo Business Survey for April was that "Although the majority of companies assessed their current business situation as good, they were far more cautious than last month. Their expectations regarding future business developments were also lower. The German economy is taking a breather".

A positive point to note is that domestic demand, which is expected to make a significant contribution to economic growth in 2013, is very stable. Backed by rising wages and salaries and an increase in employees subject to social insurance contributions, the consumer climate is buoyant. In the months ahead, the economy should profit from calmer conditions on financial markets, low interest rates and economic growth in the countries outside the eurozone.

So far, the expectations of the federal government regarding the labour market have been fulfilled. Despite a marginal increase in the jobless total in the short term, the employment situation is stable.

The federal government's goal in 2013 and 2014 is to significantly reduce the deficit, but this will take place at the expense of the social insurance security. Subsidies to the German health fund are to be cut back by EUR 2.5 bill. in 2013 and by EUR 3.5 bill. in 2014. The subsidies to the statutory pension insurance are also to be cut back by EUR 1.0 bill. in 2013 and by EUR 1.25 bill. in 2014. The high surpluses of the social insurance security are to reduce significantly in the future by phasing out cost assumptions and the subsidisation of other social security benefits.

According to the Federal Statistics Office (Destatis), the total surplus of the social insurance security amounted to EUR 15.8 bill. in 2012 (2011: EUR 13.9 bill.), with the revenues from social insurance security climbing by 2.0 % to EUR 536.5 bill. compared with 2011 and expenditures rising by 1.7 % to EUR 520.7 bill. The Statutory Health Insurance recorded a financial surplus of EUR 8.5 bill. The referrals of the German health fund amounted to EUR 194.3 bill., the expenditures of the funds EUR 185.8 bill., with the revenues having risen compared with 2011 by 2.3 % and expenditures by 2.9 %. The reserves of the health funds climbed at the end of 2012 to a total of some EUR 15 bill., that of the German health fund to a further some EUR 13 bill. The revenues of the nursing care insurance climbed in comparison with 2011 by 3.6 % to EUR 23.0 bill.; the expenditures rose by 4.6 % to EUR 22.9 bill.

The federal government has decided to alleviate somewhat the cost savings imposed on hospitals through legislation by providing hospitals with additional funds in 2013 and 2014 of EUR 1.1 bill. intended primarily to cushion the staff and material cost increases.

New legal regulations

On 26 February 2013, the Act on the Improvement of Patients' Rights (Patientenrechtegesetz – PatRG) came into force.

Outlook for the 2013 financial year

The Management Board continues to apply the restructuring measures commenced in mid-2012 in order to align the hospitals to the changing market conditions. The sharp decline in occupancy which came about at the turn of the year has been halted and the occupancy rate has already returned to the previous year's level. MediClin will continue to invest in medical fields which signal rising demand. Demand for health services is being decisively influenced by the demographic development and the requirements accompanying this.

As regards the development of business this year, the previous guidance is being confirmed at this point in time.

MEDICLIN Aktiengesellschaft

Offenburg, 2 May 2013

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 2013 to 31 March 2013

Consolidated interim balance sheet as of 31 March 2013

ASSETS

In thousands of €		31.03.2013	31.12.2012
NON-CURRENT ASSETS			
Intangible assets			
Concessions, licences	1,537		1,542
Goodwill	49,251		49,251
Payments on account	229		131
		51,017	50,924
Property, plant and equipment			
Land, land rights and buildings including buildings on third-party land	110,781		112,041
Technical equipment and machines	11,876		12,347
Operating and office equipment	35,696		35,080
Payments on account and assets under construction	2,736		2,126
		161,089	161,594
Other financial assets			
Investment in stock of subsidiaries	60		59
Other loans and other financial assets	53		40
Reinsurance cover	1,465		1,465
		1,578	1,564
Other non-current assets			
Non-current tax refund claims	277		273
Receivables pursuant to hospital financing law	2,250		2,250
		2,527	2,523
Deferred tax assets		6,059	5,655
		222,270	222,260
CURRENT ASSETS			
Inventories		7,000	7,142
Trade receivables		64,270	59,827
Other current assets			
Prepaid expenses	2,384		1,297
Receivables pursuant to hospital financing law	3,352		2,030
Other assets	3,536		4,025
		9,272	7,352
Current tax refund claims		79	79
Cash and cash equivalents		9,995	22,936
		90,616	97,336
		312,886	319,596

EQUITY AND LIABILITIES

In thousands of €		31.03.2013	31.12.2012
EQUITY			
Shares MediClin Group			
Subscribed capital	47,500		47,500
Capital reserve	129,392		129,392
Revenue reserve	-8,027		-8,027
Consolidated balance sheet loss	-18,282		-11,776
		150,583	157,089
Non-controlling interests		-100	-69
		150,483	157,020
NON-CURRENT LIABILITIES			
Non-current financial liabilities			
Liabilities to banks	58,287		58,575
Other financial liabilities	8,302		8,386
		66,589	66,961
Non-current provisions			
Provisions for pensions and similar commitments	36,354		36,433
Other provisions	5,468		5,731
		41,822	42,164
Deferred tax liabilities		3,369	3,285
		111,780	112,410
CURRENT LIABILITIES			
Trade payables		14,609	17,316
Current financial liabilities			
Liabilities to banks and insurance companies	4,825		8,227
Other financial liabilities	623		674
		5,448	8,901
Other current liabilities			
Liabilities pursuant to hospital financing law	3,458		3,630
Other liabilities	24,104		17,710
		27,562	21,340
Current provisions		2,203	2,445
Current tax liabilities		801	164
		50,623	50,166
		312,886	319,596

Consolidated interim statement of comprehensive income

In thousands of €	January – March 2013	January – March 2012
I. CONSOLIDATED PROFIT AND LOSS ACCOUNT		
Sales	124,462	125,400
Other operating income	2,550	1,742
Total operating performance	127,012	127,142
Raw materials and consumables used		
a) Cost of raw materials and supplies	–15,552	–15,232
b) Cost of purchased services	–12,561	–12,147
	–28,113	–27,379
Staff costs		
a) Wages and salaries	–66,516	–63,427
b) Social security, pension and retirement	–10,933	–10,023
	–77,449	–73,450
Depreciation and amortisation	–4,360	–3,969
Other operating expenses	–22,993	–23,110
Operating result	–5,903	–766
Financial result		
a) Other financial revenues	21	54
b) Other financial costs	–870	–1,472
	–849	–1,418
Result before tax	–6,752	–2,184
Taxes on income	215	197
Result after tax	–6,537	–1,987
Thereof attributable to shareholders of MediClin AG	–6,506	–1,966
Thereof attributable to the non-controlling interests	–31	–21
II. OTHER COMPREHENSIVE INCOME		
Thereof attributable to shareholders of MediClin AG	0	0
Thereof attributable to the non-controlling interests	0	0
III. OVERALL RESULT		
Thereof attributable to shareholders of MediClin AG	–6,506	–1,966
Thereof attributable to the non-controlling interests	–31	–21
Result after tax attributable to shareholders of MediClin AG per share		
Undiluted (in €)	–0.14	–0.04
Diluted (in €)	–0.14	–0.04

Consolidated cash flow statement

In thousands of €	January – March 2013	January – March 2012
Operating result (EBIT)	-5,903	-766
Result of finance activities	-849	-1,418
Result of income taxes	215	197
Total consolidated result	-6,537	-1,987
Depreciation on fixed asset items	4,360	3,969
Change in deferred taxes	-319	-208
Change in non-current provisions	-342	191
Change in current provisions	-243	-638
Result from the disposal of fixed asset items	-19	-24
Change in non-current tax refund claims	-4	-534
Change in other non-current assets	0	-2,300
Change in other current assets	-5,446	-84
Change in other non-current liabilities	0	-2
Change in other current liabilities	2,760	4,459
Cash flow from operating activities	-5,790	2,842
Payments received from the disposal of fixed assets	22	39
From the disposal of property, plant and equipment	22	39
Payments received from investment subsidies	35	33
Cash used for investments in fixed assets	-3,383	-4,644
In intangible assets	-325	-209
In property, plant and equipment	-3,057	-4,435
In financial assets	-1	0
Cash flow from investing activities	-3,326	-4,572
Assumption of financial liabilities	0	51,200
Repayment of financial liabilities	-3,825	-62,486
Cash flow from financing activities	-3,825	-11,286
Cash flow for the period	-12,941	-13,016
Cash and cash equivalents at the beginning of the period	22,936	41,336
Cash and cash equivalents at the end of the period	9,995	28,320

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 01.01.2012	47,500	129,392	17
Group comprehensive income	-	-	-
As of 31.03.2012	47,500	129,392	17

In thousands of €	Subscribed capital	Capital reserve	Revenue reserve
As of 01.01.2013	47,500	129,392	-8,027
Group comprehensive income	-	-	-
As of 31.03.2013	47,500	129,392	-8,027

	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

	Consolidated balance sheet result	Treasury stock	Shares MediClin Group	Non-controlling interests	Total equity
	-11,776	0	157,089	-69	157,020
	-6,506	-	-6,506	-31	-6,537
	-18,282	0	150,583	-100	150,483

Other information

General information

The unaudited consolidated interim financial report of MEDICLIN Aktiengesellschaft for the first three months of the 2013 financial year was prepared in accordance with International Accounting Standard (IAS) 34. The same accounting policies used in the consolidated financial statements for the 2012 financial year were generally applied in this interim report. The financial statements included in this interim report should therefore be read in conjunction with the Company's 2012 annual report. In particular we refer to the section "Changes to the accounting and valuation methods adopted" which contains detailed explanations of the first-time application of IAS 19 (2011).

Standards and interpretations published by the EU Commission in the first quarter 2013

In the Official Journal of 5 March 2013 (Commission Regulation (EU) No. 183/2013 of 4 March 2013), the European Union (EU) published the amendments to IFRS 1 "First-time Adoption of International Financial Reporting Standards – Government Loans".

The amendments published on 13 March 2012 by the International Accounting Standards Board (IASB) to IFRS 1 "First-time Adoption of International Financial Reporting Standards – Government Loans" ("the amendments to IFRS 1") have thus been incorporated into EU law. The amendments to IFRS 1 discuss the issue of how first-time adopters should account for loans received from governments at a below-market rate of interest and gives them relief from full retrospective application during the transition periods. The amendments to IFRS 1 therefore make provisions for a further exception to the retrospective application of IFRS, which demands that first-time adopters must prospectively apply the provisions of IAS 39 "Financial Instruments: Recognition and Measurement" and IAS 20 "Accounting for Government Grants and Disclosure" to government loans existing at the time of conversion to IFRS.

In the Official Journal of 28 March 2013 (Commission Regulation (EU) No. 301/2013 of 27 March 2013), the EU published the annual improvements to the International Financial Reporting Standards, cycle 2009–2011, which had been published on 17 May 2012 by the IASB within the context of its regular improvement process. The objective of the improvements is to deal with necessary, but non-urgent, questions discussed by the IASB during the project cycle, which commenced in 2009, and concerning inconsistencies in IFRS or clarification of wording. In the case of three of these improvements – the amendments to IFRS 1 Annex D, IAS 16 and IAS 34 – clarifications or corrections were made to

the standards in question. In the case of the three other improvements (amendments to IFRS 1, IAS 1 and IAS 32), changes were made to existing demands or additional guidelines issued for the implementation of these demands.

The above-mentioned amendments must be applied from the first financial year beginning on or after 1 January 2013.

In the Official Journal of 5 April 2013 (Commission Regulation (EU) No. 313/2013 of 4 April 2013), the EU published amendments to IFRS 10 "Consolidated Financial Statements", IFRS 11 "Joint Arrangements" and IFRS 12 "Disclosure of Interests in other Entities", which had been published by the IASB on 28 June 2012. The objective of these amendments is to clarify the transition regulations in IFRS 10. The amendments also provide additional relief for the transition to IFRS 10, IFRS 11 and IFRS 12. For example, adjusted comparative information is demanded solely for the preceding comparison period. Furthermore, the obligation to state comparative information for periods before the first-time adoption of IFRS 12 does not apply to the disclosures on non-consolidated structured entities made in the notes to the financial statements. The above-mentioned amendments must be applied from the first financial year beginning on or after 1 January 2014.

Any reference in the amendments relating to IFRS 9, which has not yet been published, should be read as a reference to IAS 39 "Financial Instruments – Recognition and Measurement".

Overall, MediClin does not expect the amendments to have any material effects on the financial statements.

Standards and interpretations published by the IASB in 2013 but not yet adopted by the EU Commission

In the first quarter 2013, no new standards or amendments to standards were published by the IASB.

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 Hilpert¹, Vice Chairman

Michael Bock

Dr. Daniel von Borries

Walburga Erichsmeier¹

Dr. Tom Giesler¹

Carsten Heise

Stephan Leonhard

Dr. Jochen Messemer

Klaus Müller¹

Thomas Müller¹

Eleonore Seigel¹

¹ Employee representatives

Supervisory Board Committees

General and Personnel Committee

Dr. Ulrich Wandschneider (Chairman)

Michael Bock

Dr. Tom Giesler

Hans Hilpert

Dr. Jochen Messemer

Thomas Müller

Audit Committee

Stephan Leonhard (Chairman)

Dr. Daniel von Borries

Walburga Erichsmeier

Dr. Tom Giesler

Carsten Heise

Eleonore Seigel

Mediation Committee pursuant to Section 27 MitbestG

Dr. Ulrich Wandschneider (Chairman)

Hans Hilpert

Dr. Jochen Messemer

Klaus Müller

Nomination Committee

Dr. Ulrich Wandschneider (Chairman)

Carsten Heise

Stephan Leonhard

Advisory Board

The committee is in the process of reconstituting.

Key data on the MediClin share

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

In € per share	Q1 2013	Q1 2012
Earnings un/diluted	-0.14	-0.04
Cash flow from operating activities	-0.12	0.06
Book value ¹ at end of quarter	3.17	3.44
Share price at end of quarter	3.96	3.59
52-week high	4.40	-
52-week low	3.50	-
Market capitalisation at end of quarter in millions of €	188.1	170.5
Number of shares in millions	47.50	47.50

¹ Equity less non-controlling interests

Source: Deutsche Börse AG; Xetra/status: 26.04.2013

Financial calendar

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 for the 1st half-year 2013

12 November 2013

Publication of the interim report for the 1st–3rd quarter 2013

2012

2013

Q1

Q2

Q3

Imprint

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

Life after a stroke

Every year around 200,000 people in Germany suffer a stroke. This makes stroke patients the largest patient group in the neurological acute-care and medical rehabilitation segment. After receiving acute nursing care, the main purpose of rehabilitation is to alleviate the consequences of the stroke. Because the consequences of the disease are very extensive, doctors and therapists from various fields must work closely together.

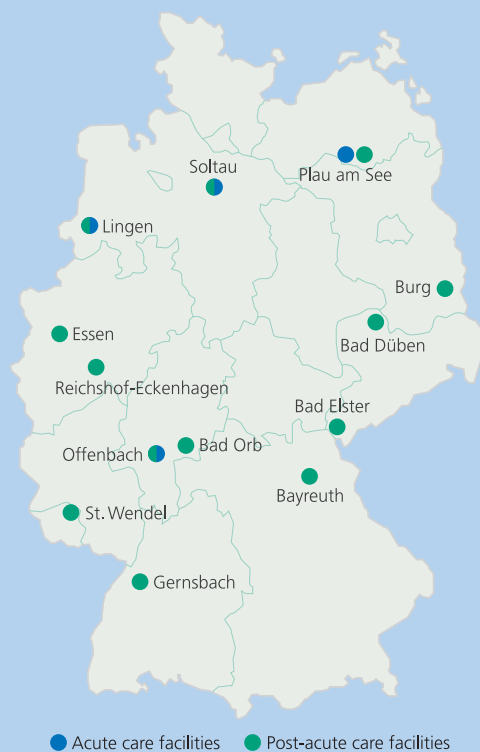


Fast treatment in hospital

MediClin Hedon Klinik, Lingen
 MediClin Klinik Offenbach
 MediClin Klinikum Soltau
 MediClin Krankenhaus Plau am See

Neurological rehabilitation after a hospital stay

MediClin Bosenberg Kliniken, St. Wendel
 MediClin Fachklinik Rhein/Ruhr, Essen-Kettwig
 MediClin Hedon Klinik, Lingen
 MediClin Klinik am Brunnenberg, Bad Elster
 MediClin Klinik Offenbach
 MediClin Klinikum Soltau
 MediClin Reha-Zentrum Bad Düben
 MediClin Reha-Zentrum Bad Orb
 MediClin Reha-Zentrum Gernsbach
 MediClin Reha-Zentrum Plau am See
 MediClin Reha-Zentrum Reichshof, Reichshof-Eckenhagen
 MediClin Reha-Zentrum Roter Hügel, Bayreuth
 MediClin Reha-Zentrum Spreewald, Burg



Q1 | **INTERIM REPORT**
MEDICLIN Aktiengesellschaft from 1 January 2013 to 31 March 2013