

MediClin integrates.



Q2

INTERIM REPORT

MEDICLIN Aktiengesellschaft from 1 January 2015 to 30 June 2015

## Key data of the quarterly business development in the Group

In millions of €	Q2 2015	Q1 2015	Q2 2014	Q1 2014
Sales	137.6	136.6	134.3	132.4
EBITDAR	21.0	17.5	19.9	14.7
EBITDAR margin in %	15.2	12.8	14.8	11.1
EBITDA	9.5	6.0	8.5	3.3
EBITDA margin in %	6.9	4.4	6.3	2.5
EBIT (operating result)	5.0	1.6	4.1	-1.0
EBIT margin in %	3.6	1.2	3.1	-0.8
Financial result	-0.8	-0.8	-0.9	-1.0
Result after tax attributable to shareholders of MediClin AG	3.5	0.8	2.7	-1.7
Earnings per share in €	0.07	0.02	0.06	-0.04
Balance sheet total	325.8	327.5	316.8	315.2
Equity	156.6	146.6	149.9	149.1
Equity ratio in %	48.1	44.8	47.3	47.3
Financial liabilities (to banks)	49.7	49.9	56.1	56.1
Cash and cash equivalents	18.0	22.2	11.5	11.1
Net debt	31.8	27.7	44.6	45.0
Cash flow from operating activities	0.5	3.4	3.5	4.1
Cash flow from operating activities per share in €	0.01	0.07	0.07	0.09
Gross capital expenditure	5.8	6.8	4.5	5.0
Thereof subsidies	0.7	0.4	0.5	0.7
Number of shares in millions	47.50	47.50	47.50	47.50
Number of cases (inpatient)	30,002	29,460	30,468	29,590
Number of beds (end of quarter)	8,006	8,005	8,005	7,975
Number of full-time employees (quarterly average)	6,521	6,463	6,408	6,364
Occupancy rates in %	88.2	86.5	88.3	86.1

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

**Interim Group management report of  
MEDICLIN Aktiengesellschaft**  
for the period from 1 January 2015 to 30 June 2015

## Report on the economic position for the first six months of 2015

### General statement on results of operations, financial position and net assets

In the first six months of 2015, Group sales amounting to EUR 274.2 mill. were up EUR 7.5 mill. (+2.8 %) on sales in the first six months of 2014. The sales growth was supported by the post-acute and the other activities segments. Sales in the acute segment declined. The Group operating result showed a significant improvement of EUR 3.5 mill. up to EUR 6.6 mill. (H1 2014: EUR 3.1 mill.).

The business development in the first six months of 2015 indicates that the sales and earnings targets for the Group can be reached. This also applies to the sales and earnings targets in the post-acute segment. In the acute segment, the Management Board assumes that, thanks to process and cost optimisation, the earnings target for the segment will be achieved despite the sales decline.

Cash and cash equivalents as of 30 June 2015 amounted to EUR 18.0 mill. (30.06.2014: EUR 11.5 mill.). In the first six months of 2015, (gross) capital expenditure was EUR 12.6 mill.

### The macroeconomic and sector-specific environment

The spring forecast published by the German government in April 2015 and the economic forecast published by the ifo Institute in June 2015 assume that the German economy is continuing to grow. The economic upturn is still driven by consumer spending, which is supported by the strong labour market.

The favourable income situation of the German Health Fund (+3.8 %) means the public health insurance funds are continuing to benefit from the positive wage and labour trend. According to the preliminary financial results in the first quarter of 2015, income amounted to about EUR 53.1 bill., while expenditure came out to about EUR 53.3 bill. All in all, hospitals thus received approximately EUR 0.7 bill. more financial funds from the public health insurance funds than in the first quarter of 2014.

According to the Deutsche Bundesbank's monthly report for July 2015, the financial situation of the public health insurance funds is relaxed due to the high reserves of the health insurance funds and the German Health Fund; however, deficits and a melting down of the financial reserves are expected in the current financial year. Still, it means, that the expected expenditure of the health insurance funds on average can be fully covered through the transfers from the German Health Fund in 2015.

## Results of operation, financial position and net assets

### Results of operation

#### Sales development and performance of the Group operating result

In the first six months of 2015, MediClin generated Group sales of EUR 274.2 mill. (H1 2014: EUR 266.7 mill.), up EUR 7.5 mill. or 2.8 % on the previous year's value. The sales increase was supported primarily by the post-acute segment, which posted EUR 9.0 mill. or 5.9 % growth, whereas sales in the acute segment decreased by EUR 2.1 mill. or 2.0 %. The occupancy rate in the Group amounted to 87.2 %, in line with the level in the first six months of 2014.

In millions of €	Group sales 2015	Group EBIT 2015	Group sales 2014	Group EBIT 2014
1st quarter	136.6	1.6	132.4	-1.0
2nd quarter	137.6	5.0	134.3	4.1
<b>Total</b>	<b>274.2</b>	<b>6.6</b>	<b>266.7</b>	<b>3.1</b>

Despite the sales increase, raw materials and consumables used declined compared to the previous year thanks to further cost and process optimisation. Both the cost of raw materials and supplies (EUR -1.7 mill.) and the cost of purchased services (EUR -1.4 mill.) declined. Staff costs increased primarily due to the higher headcount, but also due to a rise in salaries.

### Expense items

	H1 2015	H1 2014	Q2 2015	Q2 2014
Raw materials and consumables used in millions of €	51.3	54.4	25.4	26.2
Cost of materials ratio in %	18.7	20.4	18.4	19.5
Staff costs in millions of €	164.0	157.1	81.7	78.0
Staff costs ratio in %	59.8	58.9	59.4	58.1
Depreciation and amortisation in millions of €	9.0	8.7	4.5	4.3
Other operating expenses in millions of €	46.9	46.5	22.7	22.9

Depreciation and amortisation and other operating expenses rose only moderately on the previous year's six-month level.

The Group operating result improved by EUR 3.5 mill. compared to the first six months of 2014, up from EUR 3.1 mill. to EUR 6.6 mill. The financial result amounted to EUR –1.6 mill. (H1 2014: EUR –1.9 mill.). The result after tax attributable to shareholders of MediClin AG increased by EUR 3.3 mill. over the previous year's first half from EUR 1.0 mill. to EUR 4.3 mill.

Group earnings per share attributable to shareholders of MediClin AG came out to EUR 0.09 (H1 2014: EUR 0.02).

The sales and earnings performance at segment level is illustrated in more detail in the segment reporting section.

## Statistical performance data

### Post-acute segment

	H1 2015	H1 2014	Change in %	Q2 2015	Q2 2014	Change in %
Number of cases (inpatient)	38,012	37,998	0.0	19,397	19,664	-1.4
Length of stay in days	25.2	25.3	-0.4	25.2	25.1	+0.4
Occupancy rate in %	87.9	88.1	-0.2	89.6	89.7	-0.1
Beds on reporting date	6,007	6,033	-0.4	6,007	6,033	-0.4

### Acute segment

	H1 2015	H1 2014	Change in %	Q2 2015	Q2 2014	Change in %
Number of cases (inpatient)	21,450	22,060	-2.8	10,605	10,804	-1.8
Case mix points	25,229	26,222	-3.8	12,577	12,754	-1.4
Length of stay in days	10.6	10.1	+5.0	10.7	10.2	+4.9
Length of stay in days without psychiatry/psychosomatics	7.7	7.6	+1.3	7.7	7.6	+1.3
Beds on reporting date	1,569	1,532	+2.4	1,569	1,532	+2.4

### Nursing care business area

	H1 2015	H1 2014	Change in %	Q2 2015	Q2 2014	Change in %
Occupancy rate in %	94.6	91.9	+2.9	95.3	92.1	+3.5
Nursing care places on reporting date	430	440	-2.3	430	440	-2.3

### Group

	H1 2015	H1 2014	Change in %	Q2 2015	Q2 2014	Change in %
Number of cases (inpatient)	59,462	60,058	-1.0	30,002	30,468	-1.5
Occupancy rate in %	87.2	87.2	0.0	88.2	88.3	-0.1
Beds/nursing care places on reporting date	8,006	8,005	0.0	8,006	8,005	0.0

### Segment reporting

Since the positive sales development in the post-acute segment lasted into the second quarter of 2015, sales in the first six months of 2015 were EUR 9.0 mill. (+5.9 %) higher than the previous year's value. Due to a lower number of cases and case mix points, sales in the acute segment were EUR 2.1 mill. (–2.0 %) lower than the previous year's value. The nursing care business area posted a EUR 0.3 mill. (+5.5 %) increase in sales thanks to a better occupancy rate.

### Sales

In millions of €	H1 2015	H1 2014	Q2 2015	Q2 2014
Post-acute	161.6	152.5	82.4	78.5
Acute	104.0	106.1	50.8	51.7
Other activities and reconciliation	8.6	8.1	4.4	4.1
Thereof nursing care business area	6.8	6.5	3.4	3.3
<b>Group</b>	<b>274.2</b>	<b>266.7</b>	<b>137.6</b>	<b>134.3</b>

In the post-acute segment, raw materials and consumables used dropped slightly despite the higher sales, whereas staff costs rose due to a rise in headcount compared to the first six months of the previous year. The lower sales in the acute segment entailed a corresponding decline in raw materials and consumables used and staff costs.

### Raw materials and consumables used

	H1 2015	H1 2014	Q2 2015	Q2 2014
<b>Post-acute</b>				
Raw materials and consumables used in millions of €	34.1	34.7	16.6	17.2
Cost of materials ratio in %	21.1	22.7	20.1	21.9
<b>Acute</b>				
Raw materials and consumables used in millions of €	27.0	28.7	13.5	13.6
Cost of materials ratio in %	25.9	27.0	26.5	26.2

### Staff costs

	H1 2015	H1 2014	Q2 2015	Q2 2014
<b>Post-acute</b>				
Staff costs in millions of €	84.2	78.1	42.2	39.0
Staff costs ratio in %	52.1	51.2	51.2	49.7
<b>Acute</b>				
Staff costs in millions of €	56.0	56.2	27.6	27.6
Staff costs ratio in %	53.9	53.0	54.3	53.6



In the post-acute segment, energy costs dropped considerably from the first quarter to the second quarter as in the previous year; together with the increase in sales, this caused an improvement in the segment result. The sales decline in the acute segment was offset by lower expenses, meaning the segment result is slightly above the previous year's figure.

### Segment results

In millions of €	H1 2015	H1 2014	Q2 2015	Q2 2014
Post-acute	5.8	2.5	5.1	4.3
Acute	5.2	5.1	1.9	2.0
Other activities and reconciliation	-4.4	-4.5	-2.0	-2.2
<b>Group</b>	<b>6.6</b>	<b>3.1</b>	<b>5.0</b>	<b>4.1</b>

### Development of the coverage provider structure

Pursuant to IFRSs (IFRS 8.34 "Information about Transactions with Major Customers"), an entity is required to disclose information on the degree of dependency on major customers. The statutory social security pension funds and the public health insurance funds are the two largest funding agencies for medical rehabilitation. In the acute sector, the public health insurance funds are the main funding agencies.

Supervision and control of sales generated with coverage providers is carried out with the help of monthly statistics on the coverage providers. These statistics document the services invoiced to the individual coverage providers on the basis of accomplished nursing days. According to these statistics, the social security pension funds accounted for 48.5 % (H1 2014: 48.1%) of services in the post-acute segment in the first six months of 2015, while the public health insurance funds accounted for 43.0 % (H1 2014: 43.2 %). In the acute segment, 93.0 % of services (H1 2014: 92.6 %) were attributable to the public health insurance funds.

## Segment results and net assets in half-year comparison

In millions of €	January – June 2015					
	Post-acute	Acute	Other activities	Subtotal	Reconciliation	Total
<b>Sales</b>	161.6	104.0	33.5	<b>299.1</b>	-24.9	<b>274.2</b>
Thereof total sales	163.7	105.5	35.8	<b>305.0</b>	0.0	<b>305.0</b>
Thereof internal sales	2.1	1.5	2.3	<b>5.9</b>	24.9	<b>30.8</b>
Raw materials and consumables used	-34.1	-27.0	-13.7	<b>-74.8</b>	23.5	<b>-51.3</b>
Staff costs	-84.2	-56.0	-23.0	<b>-163.2</b>	-0.8	<b>-164.0</b>
Other operating expenses	-35.4	-12.9	-5.3	<b>-53.6</b>	6.7	<b>-46.9</b>
<b>Segment result</b>	<b>5.8</b>	<b>5.2</b>	<b>-2.8</b>	<b>8.2</b>	<b>-1.6</b>	<b>6.6</b>
Thereof non-cash items:						
Scheduled depreciations/ write-ups	-4.8	-7.5	-0.7	<b>-13.0</b>	0.0	<b>-13.0</b>
Release of special item	0.0	0.0	0.0	<b>0.0</b>	0.0	<b>0.0</b>
Allowances	0.3	3.7	0.0	<b>4.0</b>	0.0	<b>4.0</b>
Allocation of provisions/ liabilities	0.0	0.0	0.0	<b>0.0</b>	0.0	<b>0.0</b>
Release of provisions/liabilities	-9.8	-7.0	-5.1	<b>-21.9</b>	-0.6	<b>-22.5</b>
Financial revenues	0.1	0.0	0.2	<b>0.3</b>	-0.3	<b>0.0</b>
Financial costs	-0.5	-0.7	-0.6	<b>-1.8</b>	0.2	<b>-1.6</b>
<b>Financial result</b>	<b>-0.4</b>	<b>-0.7</b>	<b>-0.4</b>	<b>-1.5</b>	<b>-0.1</b>	<b>-1.6</b>
<b>Taxes on income</b>	<b>0.1</b>	<b>0.1</b>	<b>-0.5</b>	<b>-0.3</b>	<b>-0.4</b>	<b>-0.7</b>
<b>Assets</b>	<b>131.0</b>	<b>161.2</b>	<b>8.0</b>	<b>300.2</b>	<b>25.6</b>	<b>325.8</b>
<b>Liabilities</b>	<b>21.9</b>	<b>22.5</b>	<b>70.8</b>	<b>115.2</b>	<b>54.0</b>	<b>169.2</b>
Gross capital expenditure	8.5	3.3	0.8	<b>12.6</b>	0.0	<b>12.6</b>

In millions of €	January – June 2014					
	Post-acute	Acute	Other activities	Subtotal	Reconciliation	Total
<b>Sales</b>	152.5	106.1	32.4	<b>291.0</b>	-24.3	<b>266.7</b>
Thereof total sales	154.6	108.2	35.1	<b>297.9</b>	0.0	<b>297.9</b>
Thereof internal sales	2.1	2.1	2.7	<b>6.9</b>	24.3	<b>31.2</b>
Raw materials and consumables used	-34.7	-28.7	-14.7	<b>-78.1</b>	23.7	<b>-54.4</b>
Staff costs	-78.1	-56.2	-21.5	<b>-155.8</b>	-1.3	<b>-157.1</b>
Other operating expenses	-35.3	-13.1	-4.8	<b>-53.2</b>	6.7	<b>-46.5</b>
<b>Segment result</b>	<b>2.5</b>	<b>5.1</b>	<b>-3.0</b>	<b>4.6</b>	<b>-1.5</b>	<b>3.1</b>
Thereof non-cash items:						
Scheduled depreciations/write-ups	-4.5	-7.7	-0.6	<b>-12.8</b>	0.0	<b>-12.8</b>
Release of special item	0.0	0.0	0.0	<b>0.0</b>	0.0	<b>0.0</b>
Allowances	0.3	3.8	0.0	<b>4.1</b>	0.0	<b>4.1</b>
Allocation of provisions/liabilities	0.0	-0.5	0.0	<b>-0.5</b>	0.0	<b>-0.5</b>
Release of provisions/liabilities	-7.8	-7.3	-6.4	<b>-21.5</b>	-0.5	<b>-22.0</b>
Financial revenues	0.1	0.1	0.3	<b>0.5</b>	-0.5	<b>0.0</b>
Financial costs	-0.6	-0.7	-0.8	<b>-2.1</b>	0.2	<b>-1.9</b>
<b>Financial result</b>	<b>-0.5</b>	<b>-0.6</b>	<b>-0.5</b>	<b>-1.6</b>	<b>-0.3</b>	<b>-1.9</b>
<b>Taxes on income</b>	<b>0.1</b>	<b>0.0</b>	<b>-0.1</b>	<b>0.0</b>	<b>-0.2</b>	<b>-0.2</b>
<b>Assets</b>	<b>127.8</b>	<b>162.1</b>	<b>7.7</b>	<b>297.6</b>	<b>19.2</b>	<b>316.8</b>
<b>Liabilities</b>	<b>22.1</b>	<b>21.8</b>	<b>63.1</b>	<b>107.0</b>	<b>59.9</b>	<b>166.9</b>
Gross capital expenditure	5.1	3.7	0.7	<b>9.5</b>	0.0	<b>9.5</b>

## Segment results and net assets in quarterly comparison

In millions of €	April – June 2015					
	Post-acute	Acute	Other activities	Subtotal	Reconciliation	Total
<b>Sales</b>	82.4	50.8	16.4	<b>149.6</b>	-12.0	<b>137.6</b>
Thereof total sales	83.4	51.6	17.6	<b>152.6</b>	0.0	<b>152.6</b>
Thereof internal sales	1.0	0.8	1.2	<b>3.0</b>	12.0	<b>15.0</b>
Raw materials and consumables used	-16.6	-13.5	-6.6	<b>-36.7</b>	11.3	<b>-25.4</b>
Staff costs	-42.2	-27.6	-11.5	<b>-81.3</b>	-0.4	<b>-81.7</b>
Other operating expenses	-17.4	-6.4	-2.3	<b>-26.1</b>	3.4	<b>-22.7</b>
<b>Segment result</b>	<b>5.1</b>	<b>1.9</b>	<b>-1.3</b>	<b>5.7</b>	<b>-0.7</b>	<b>5.0</b>
Thereof non-cash items:						
Scheduled depreciations/ write-ups	-2.4	-3.8	-0.4	<b>-6.6</b>	0.0	<b>-6.6</b>
Release of special item	0.0	0.0	0.0	<b>0.0</b>	0.0	<b>0.0</b>
Allowances	0.2	1.8	0.0	<b>2.0</b>	0.0	<b>2.0</b>
Allocation of provisions/ liabilities	-0.1	0.1	0.0	<b>0.0</b>	0.0	<b>0.0</b>
Release of provisions/liabilities	-0.9	-0.9	7.6	<b>5.8</b>	-0.1	<b>5.7</b>
Financial revenues	0.1	0.0	0.1	<b>0.2</b>	-0.2	<b>0.0</b>
Financial costs	-0.3	-0.3	-0.3	<b>-0.9</b>	0.1	<b>-0.8</b>
<b>Financial result</b>	<b>-0.2</b>	<b>-0.3</b>	<b>-0.2</b>	<b>-0.7</b>	<b>-0.1</b>	<b>-0.8</b>
<b>Taxes on income</b>	<b>0.0</b>	<b>0.0</b>	<b>-0.2</b>	<b>-0.2</b>	<b>-0.5</b>	<b>-0.7</b>
<b>Assets (change)</b>	<b>3.1</b>	<b>0.4</b>	<b>0.3</b>	<b>3.8</b>	<b>-5.5</b>	<b>-1.7</b>
<b>Liabilities (change)</b>	<b>-2.4</b>	<b>-1.1</b>	<b>-7.7</b>	<b>-11.2</b>	<b>-0.5</b>	<b>-11.7</b>
Gross capital expenditure	4.0	1.6	0.2	<b>5.8</b>	0.0	<b>5.8</b>

In millions of €	April – June 2014					
	Post-acute	Acute	Other activities	Subtotal	Reconciliation	Total
<b>Sales</b>	78.5	51.7	15.8	<b>146.0</b>	-11.7	<b>134.3</b>
Thereof total sales	79.6	52.6	17.2	<b>149.4</b>	0.0	<b>149.4</b>
Thereof internal sales	1.1	0.9	1.4	<b>3.4</b>	11.7	<b>15.1</b>
Raw materials and consumables used	-17.2	-13.6	-6.9	<b>-37.7</b>	11.5	<b>-26.2</b>
Staff costs	-39.0	-27.6	-10.7	<b>-77.3</b>	-0.7	<b>-78.0</b>
Other operating expenses	-16.9	-6.8	-2.4	<b>-26.1</b>	3.2	<b>-22.9</b>
<b>Segment result</b>	<b>4.3</b>	<b>2.0</b>	<b>-1.3</b>	<b>5.0</b>	<b>-0.9</b>	<b>4.1</b>
Thereof non-cash items:						
Scheduled depreciations/write-ups	-2.3	-3.8	-0.3	<b>-6.4</b>	0.0	<b>-6.4</b>
Release of special item	0.0	0.0	0.0	<b>0.0</b>	0.0	<b>0.0</b>
Allowances	0.2	1.8	0.0	<b>2.0</b>	0.0	<b>2.0</b>
Allocation of provisions/liabilities	0.0	-0.7	0.0	<b>-0.7</b>	0.0	<b>-0.7</b>
Release of provisions/liabilities	0.0	-1.8	-2.3	<b>-4.1</b>	-0.3	<b>-4.4</b>
Financial revenues	0.1	0.1	0.1	<b>0.3</b>	-0.3	<b>0.0</b>
Financial costs	-0.4	-0.5	-0.2	<b>-1.1</b>	0.2	<b>-0.9</b>
<b>Financial result</b>	<b>-0.3</b>	<b>-0.4</b>	<b>-0.1</b>	<b>-0.8</b>	<b>-0.1</b>	<b>-0.9</b>
<b>Taxes on income</b>	<b>0.0</b>	<b>0.0</b>	<b>-0.3</b>	<b>-0.3</b>	<b>-0.2</b>	<b>-0.5</b>
<b>Assets (change)</b>	<b>2.5</b>	<b>-1.7</b>	<b>0.5</b>	<b>1.3</b>	<b>0.3</b>	<b>1.6</b>
<b>Liabilities (change)</b>	<b>-1.4</b>	<b>0.6</b>	<b>1.9</b>	<b>1.1</b>	<b>-0.3</b>	<b>0.8</b>
Gross capital expenditure	2.3	1.8	0.4	<b>4.5</b>	0.0	<b>4.5</b>

## Capital expenditure

### Gross additions to non-current assets

In thousands of €	H1 2015	H1 2014
Licences, concessions	600	646
Goodwill	0	69
Land, buildings	437	5
Technical equipment, EDP	118	564
Operating and office equipment	6,271	4,562
Payments on account and assets under construction	5,193	3,601
<b>Total</b>	<b>12,619</b>	<b>9,447</b>

A large share of total capital expenditure in the first six months of 2015 was spent for reconstruction measures and the acquisition of new medical-technical devices.

## Liquidity

The cash and cash equivalents trend is shown in the following table:

In millions of €	H1 2015	H1 2014
Cash flow from operating activities	3.9	7.5
Thereof total consolidated result	4.3	0.9
Cash flow from investing activities	-8.9	-5.9
Cash flow from financing activities	-3.3	-3.3
Cash flow for the period	-8.3	-1.7
Cash and cash equivalents at the beginning of the period	26.3	13.2
<b>Cash and cash equivalents at the end of the period</b>	<b>18.0</b>	<b>11.5</b>

The cash flow from operating activities decreased by EUR 3.7 mill. compared to the first six months of 2014, reaching EUR 3.9 mill. in the first six months of 2015. This is mainly due to a rise in current assets.

The cash flow from investing activities amounted to EUR -8.9 mill. (H1 2014: EUR -5.9 mill.). It is comprised of capital expenditure amounting to EUR 12.0 mill. (H1 2014: EUR 8.0 mill.), less subsidies of EUR 2.9 mill. (H1 2014: EUR 2.0 mill.) and proceeds from the sale of property, plant and equipment amounting to EUR 0.2 mill. (H1 2014: EUR 0.1 mill.).

## Net assets

### Balance sheet structure

In millions of €	30.06.2015	In % of balance sheet total	31.12.2014	In % of balance sheet total
<b>Assets</b>				
Non-current assets	219.8	67.5	216.8	67.8
Current assets	106.0	32.5	102.8	32.2
	<b>325.8</b>	<b>100.0</b>	<b>319.6</b>	<b>100.0</b>
<b>Equity and liabilities</b>				
Equity	156.6	48.1	153.9	48.2
Non-current liabilities	111.3	34.1	112.3	35.1
Current liabilities	57.9	17.8	53.4	16.7
	<b>325.8</b>	<b>100.0</b>	<b>319.6</b>	<b>100.0</b>

Altogether, the balance sheet total rose by EUR 6.2 mill. or 1.9 % compared to 31 December 2014. On the assets side, this led to a more or less equal increase in non-current and current assets of EUR 3.0 mill. and EUR 3.2 mill., respectively EUR 2.4 mill. of the increase in non-current assets pertains to a rise in fixed non-current assets, while EUR 0.6 mill. refer to higher deferred tax assets. In the current assets item, an increase in current receivables and other current assets totalling EUR 11.6 mill. was accompanied by a EUR 8.4 mill. decrease in cash and cash equivalents.

Despite the EUR 2.7 mill. addition to equity (+1.7 %), the equity ratio dropped by 0.1 percentage points due to the even stronger expansion of the balance sheet total. The decline in non-current liabilities is owed, in particular, to loan repayments totalling EUR 3.3 mill. and an increase in pension provisions by a total of EUR 2.3 mill. mainly caused by the further decline in the underlying interest rate compared to the balance sheet date 31 December 2014.

Current liabilities saw increases in liabilities pursuant to hospital financing law (EUR +2.0 mill.), other liabilities (EUR +5.7 mill.) and current tax liabilities (EUR +0.6 mill.), among others, and declines in trade payables (EUR –3.4 mill.) and current provisions (EUR –0.4 mill.).

## Employees

The number of employees, measured in full-time employees, increased 1.7 % or 1.8 %, respectively, each compared to the same period of the previous year. The Group employed an average of 242 trainees in the first six months of 2015 (H1 2014: 212 trainees).

### Average of number of employees in the Group and in the segments

Shown in full-time employees	H1 2015	H1 2014	Change	Q2 2015	Q2 2014	Change
Post-acute	3,373	3,262	+111	3,397	3,284	+113
Acute	1,962	2,001	-39	1,957	1,998	-41
Other activities	1,157	1,123	+34	1,167	1,126	+41
Thereof nursing care business area	180	173	+7	181	171	+10
Thereof service business area (including administration)	977	950	+27	986	955	+31
<b>Group</b>	<b>6,492</b>	<b>6,386</b>	<b>+106</b>	<b>6,521</b>	<b>6,408</b>	<b>+113</b>

A comparison with the previous year's first six months reveals that sales per full-time employee rose by 1.1 %, while staff costs per full-time employee increased by 2.7 %.

### Key data per full-time employee in the Group

In €	H1 2015	H1 2014	Q2 2015	Q2 2014
Sales per full-time employee	42,236	41,761	21,106	20,957
Staff costs per full-time employee	25,267	24,601	12,537	12,171



## Report concerning related parties

Business relations to related parties were the same in the first six months of 2015 as those to the parties and companies listed in the 2014 Annual Report. Business relations to related parties are handled at normal market conditions and amount to the following:

In millions of €	H1 2015	H1 2014
<b>Income</b>		
Revenues from post-acute, acute and nursing care services	1.0	0.9
Real estate management income	0.2	0.2
Pension payments of MAUK <sup>1</sup>	0.4	0.3
Service contracts	0.1	0.0
<b>Expenses</b>		
Leasing expenses <sup>2</sup>	22.0	21.9
Real estate management costs	0.4	0.4
Insurance premiums	0.7	0.9
Service contracts	3.7	3.2
Remuneration for key management personnel	1.0	1.0
Payments to MAUK <sup>1</sup>	0.2	0.0

In millions of €	30.06.2015	31.12.2014
<b>Receivables</b>		
Repayment claims from preliminary financing of clinic expansion and building measures	0.1	0.1
Receivables from post-acute, acute and nursing care services	0.1	0.1
<b>Liabilities</b>		
Service contracts	0.2	0.6
Provision for insurance benefits	0.4	0.1
Provisions for remuneration for key management personnel	0.5	0.8

<sup>1</sup> Mitarbeiterunterstützungskasse der vereinigten Klinikbetriebe (MAUK)

<sup>2</sup> Leasing expenses include EUR 21.7 mill. (H1 2014: EUR 21.6 mill.) in rental payments to the OIK-Immobilienfonds; for more details, see the following explanatory notes on the OIK-Immobilienfonds

## OIK-Immobilienfonds

In the 2014 financial year the Management Board of MediClin was presented a legal opinion that had been commissioned by a shareholder and illustrated that shareholder's legal view. The paper states that the rents paid by the Company to the OIK-Fonds for the clinics that were pooled in the real estate fund between 1999 and 2002 and rented back are considered too high. Furthermore, the legal opinion points out that claims might arise and illustrates the special situation in that the shareholders of the fund simultaneously are or were direct or indirect shareholders of MediClin AG (including, among others, ERGO Versicherungsgruppe AG (ERGO) and, until 2011, Provinzial Rheinland Lebensversicherung AG (Provinzial)).

Since the Management Board is responsible for ensuring that the Company conducts its business in compliance with the laws, it is obliged to investigate the suspicions that were expressed in the opinion commissioned by one of its shareholders and to examine any potential legal consequences resulting therefrom.

The analysis of the appropriateness of rents commissioned by MediClin is still pending. The findings regarding the appropriateness of the rents do not yet allow for a final assessment of the compliance of those rents with standard market rates now and in the past. These circumstances have no effects on the balance sheet.

## Subsequent events

Since the interim reporting date of 30 June 2015, there have been no occurrences of particular significance that would have to be reported here.

## Forecast, risk and opportunity report

### Forecast report

As of today there have been no major changes to the information published in the forecast report section of the 2014 Annual Report that could have a material impact on MediClin's future business development.

### New legal regulations

On 10 June 2015 the German Federal Cabinet (Bundeskabinett) approved the draft for an act reforming the structure of hospital care (Krankenhausstrukturgesetz – KHSG). This draft is aimed at strengthening the quality of hospital care, improving the possibilities for hospital funding and providing incentives for restructuring hospitals. The act is to take effect on 1 January 2016.

The new regulations will be gradually implemented between 2016 and 2018. The subsidies for this period amount to up to EUR 660 mill. After the end of the subsidy programme, the hospital sector will still have additional funds amounting annually to up to EUR 330 mill. at its disposal.

### Risk and opportunity report

No new noteworthy risks or opportunities have arisen during the first six months of the 2015 financial year, and there were no changes in the risk and opportunity management; hence we refer to the information provided in the 2014 Annual Report.

MEDICLIN Aktiengesellschaft

Offenburg, 31 July 2015

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 2015 to 30 June 2015

## Consolidated interim balance sheet as of 30 June 2015

### ASSETS

In thousands of €		30.06.2015	31.12.2014
<b>NON-CURRENT ASSETS</b>			
<b>Intangible assets</b>			
Concessions, licences	1,644		1,765
Goodwill	48,484		48,589
Payments on account	309		192
		<b>50,437</b>	<b>50,546</b>
<b>Property, plant and equipment</b>			
Land, land rights and buildings including buildings on third-party land	102,675		105,115
Technical equipment and machines	10,264		11,058
Operating and office equipment	37,859		36,970
Payments on account and assets under construction	7,229		2,393
		<b>158,027</b>	<b>155,536</b>
<b>Other financial assets</b>			
Investment in stock of subsidiaries	65		65
Other loans and other financial assets	3		3
Reinsurance cover	1,458		1,458
		<b>1,526</b>	<b>1,526</b>
<b>Other non-current assets</b>			
Non-current tax refund claims	146		141
Receivables pursuant to hospital financing law	1,700		1,700
		<b>1,846</b>	<b>1,841</b>
<b>Deferred tax assets</b>			
		<b>7,996</b>	<b>7,339</b>
		<b>219,832</b>	<b>216,788</b>
<b>CURRENT ASSETS</b>			
<b>Inventories</b>			
		<b>6,239</b>	<b>6,359</b>
<b>Trade receivables</b>			
		<b>69,279</b>	<b>61,974</b>
<b>Other current assets</b>			
Prepaid expenses	3,280		776
Receivables pursuant to hospital financing law	5,447		3,339
Other assets	2,754		3,014
		<b>11,481</b>	<b>7,129</b>
<b>Current tax refund claims</b>			
		<b>80</b>	<b>86</b>
<b>Cash and cash equivalents</b>			
		<b>17,970</b>	<b>26,347</b>
<b>Non-current assets held for sale</b>			
		<b>932</b>	<b>932</b>
		<b>105,981</b>	<b>102,827</b>
		<b>325,813</b>	<b>319,615</b>

## EQUITY AND LIABILITIES

In thousands of €		30.06.2015	31.12.2014
<b>EQUITY</b>			
<b>Shares MediClin Group</b>			
Subscribed capital	47,500		47,500
Capital reserve	129,392		129,392
Revenue reserve	-18,263		-16,645
Consolidated balance sheet loss	-1,641		-5,910
		<b>156,988</b>	<b>154,337</b>
<b>Non-controlling interests</b>			
		-375	-390
		<b>156,613</b>	<b>153,947</b>
<b>NON-CURRENT LIABILITIES</b>			
<b>Non-current financial liabilities</b>			
Liabilities to banks	43,122		46,267
Other financial liabilities	7,629		7,839
		<b>50,751</b>	<b>54,106</b>
<b>Non-current provisions</b>			
Provisions for pensions and similar commitments	50,435		48,166
Other provisions	6,034		6,019
		<b>56,469</b>	<b>54,185</b>
<b>Deferred tax liabilities</b>			
		<b>4,086</b>	<b>4,040</b>
		<b>111,306</b>	<b>112,331</b>
<b>CURRENT LIABILITIES</b>			
<b>Trade payables</b>			
		<b>9,646</b>	<b>13,040</b>
<b>Current financial liabilities</b>			
Liabilities to banks	6,613		6,645
Other financial liabilities	430		407
		<b>7,043</b>	<b>7,052</b>
<b>Other current liabilities</b>			
Liabilities pursuant to hospital financing law	8,109		6,068
Other liabilities	26,537		20,834
		<b>34,646</b>	<b>26,902</b>
<b>Current provisions</b>			
		<b>5,557</b>	<b>5,931</b>
<b>Current tax liabilities</b>			
		<b>1,002</b>	<b>412</b>
		<b>57,894</b>	<b>53,337</b>
		<b>325,813</b>	<b>319,615</b>

## Consolidated interim profit and loss account

In thousands of €	January–June 2015	January–June 2014	April–June 2015	April–June 2014
Sales	274,194	266,688	137,631	134,293
Other operating income	3,638	3,083	1,769	1,313
<b>Total operating performance</b>	<b>277,832</b>	<b>269,771</b>	<b>139,400</b>	<b>135,606</b>
Raw materials and consumables used				
a) Cost of raw materials and supplies	–29,840	–31,491	–14,877	–15,198
b) Cost of purchased services	–21,484	–22,915	–10,502	–11,011
	<b>–51,324</b>	<b>–54,406</b>	<b>–25,379</b>	<b>–26,209</b>
Staff costs				
a) Wages and salaries	–139,919	–134,024	–69,119	–65,948
b) Social security, pension and retirement	–24,112	–23,078	–12,633	–12,041
	<b>–164,031</b>	<b>–157,102</b>	<b>–81,752</b>	<b>–77,989</b>
Other operating expenses	–46,900	–46,493	–22,741	–22,931
<b>Result before interest, taxes, depreciation and amortisation / EBITDA</b>	<b>15,577</b>	<b>11,770</b>	<b>9,528</b>	<b>8,477</b>
Depreciation and amortisation	–9,003	–8,689	–4,547	–4,349
<b>Operating result</b>	<b>6,574</b>	<b>3,081</b>	<b>4,981</b>	<b>4,128</b>
Financial result				
a) Other financial revenues	26	4	15	2
b) Other financial costs	–1,584	–1,942	–784	–949
	<b>–1,558</b>	<b>–1,938</b>	<b>–769</b>	<b>–947</b>
<b>Result before tax</b>	<b>5,016</b>	<b>1,143</b>	<b>4,212</b>	<b>3,181</b>
Taxes on income	–718	–246	–699	–516
<b>Result after tax</b>	<b>4,298</b>	<b>897</b>	<b>3,513</b>	<b>2,665</b>
Thereof attributable to shareholders of MediClin AG	4,269	954	3,487	2,701
Thereof attributable to the non-controlling interests	29	–57	26	–36
<b>Result after tax attributable to shareholders of MediClin AG per share</b>				
Undiluted (in €)	0.09	0.02	0.07	0.06
Diluted (in €)	0.09	0.02	0.07	0.06



## Consolidated interim statement of comprehensive income

In thousands of €	January–June 2015	January–June 2014	April–June 2015	April–June 2014
<b>Total consolidated result</b>	<b>4,298</b>	<b>897</b>	<b>3,513</b>	<b>2,665</b>
<b>Other comprehensive income</b>				
Change in actuarial gains (+)/losses (–) from DBOs and similar commitments	–1,939	–3,821	7,759	–2,292
Taxes on income	307	604	–1,228	362
<b>Additions to value adjustments that are not reconciled to the Group result</b>	<b>–1,632</b>	<b>–3,217</b>	<b>6,531</b>	<b>–1,930</b>
Thereof attributable to shareholders of MediClin AG	–1,618	–3,187	6,477	–1,912
Thereof attributable to non-controlling interests	–14	–30	54	–18
<b>Additions to value adjustments that are reconciled to the Group result</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Group comprehensive income</b>	<b>2,666</b>	<b>–2,320</b>	<b>10,044</b>	<b>735</b>
Thereof attributable to shareholders of MediClin AG	2,651	–2,233	9,964	789
Thereof attributable to the non-controlling interests	15	–87	80	–54

## Consolidated cash flow statement

In thousands of €	January–June 2015	January–June 2014
<b>Operating result (EBIT)</b>	<b>6,574</b>	<b>3,081</b>
Result of finance activities	-1,558	-1,938
Result of income taxes	-718	-246
<b>Total consolidated result</b>	<b>4,298</b>	<b>897</b>
Depreciation on fixed asset items	9,003	8,689
Change in deferred taxes	-611	-696
Change in non-current provisions	2,284	4,273
Change in current provisions	-374	1,003
Result from the disposal of fixed asset items	-20	-19
Result from other non-cash items	-1,633	-3,217
Change in non-current tax refund claims	-5	-3
Change in current tax refund claims	6	-108
Change in other non-current assets	0	500
Change in other current assets	-13,382	-6,544
Change in other current liabilities	4,285	2,779
<b>Cash flow from operating activities</b>	<b>3,851</b>	<b>7,554</b>
<b>Payments received from the disposal of fixed assets</b>	<b>152</b>	<b>133</b>
From the disposal of property, plant and equipment	152	133
<b>Payments received from investment subsidies</b>	<b>2,947</b>	<b>1,969</b>
<b>Cash used for investments in fixed assets</b>	<b>-11,963</b>	<b>-8,038</b>
In intangible assets	-580	-647
In property, plant and equipment	-11,383	-7,391
<b>Cash flow from investing activities</b>	<b>-8,864</b>	<b>-5,936</b>
Repayment of financial liabilities	-3,364	-3,307
<b>Cash flow from financing activities</b>	<b>-3,364</b>	<b>-3,307</b>
<b>Cash flow for the period</b>	<b>-8,377</b>	<b>-1,689</b>
Cash and cash equivalents at the beginning of the period	26,347	13,219
<b>Cash and cash equivalents at the end of the period</b>	<b>17,970</b>	<b>11,530</b>

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

## Statement of changes in equity

In thousands of €	Subscribed capital	Capital reserve	Revenue reserve	Consolidated balance sheet result	Shares MediClin Group	Non-controlling interests	Total equity
As of 01.01.2014	47,500	129,392	-10,082	-14,413	152,397	-208	152,189
Group comprehensive income	-	-	-3,187 <sup>1</sup>	954	-2,233	-87	-2,320
<b>As of 30.06.2014</b>	<b>47,500</b>	<b>129,392</b>	<b>-13,269</b>	<b>-13,459</b>	<b>150,164</b>	<b>-295</b>	<b>149,869</b>

In thousands of €	Subscribed capital	Capital reserve	Revenue reserve	Consolidated balance sheet result	Shares MediClin Group	Non-controlling interests	Total equity
As of 01.01.2015	47,500	129,392	-16,645	-5,910	154,337	-390	153,947
Group comprehensive income	-	-	-1,618 <sup>1</sup>	4,269	2,651	15	2,666
<b>As of 30.06.2015</b>	<b>47,500</b>	<b>129,392</b>	<b>-18,263</b>	<b>-1,641</b>	<b>156,988</b>	<b>-375</b>	<b>156,613</b>

<sup>1</sup> Adjustment in accordance with IAS19

## Other information

### General information

The unaudited consolidated interim financial statements of MEDICLIN Aktiengesellschaft for the first six months of the 2015 financial year were prepared in accordance with International Accounting Standard (IAS) 34. In the interim report, the Group principally applied the same accounting policies as in the consolidated financial statements for the 2014 financial year; it should thus be read in conjunction with the Annual Report published by the Group for the 2014 financial year and the interim report for the first quarter of 2015. The discount rate for pension obligations pursuant to IAS 19 forms an exception. As at 30 June 2015, the discount rate amounted to 2.3 % (31.03.2015: 1.5 %; 31.12.2014: 2.5 %).

### EU endorsement

In the first six months of 2015, the EU Commission did not publish any new standards or interpretations or amendments thereto other than those listed in the 2014 Annual Report.

### Standards that have in the meantime been adopted by the International Accounting Standards Board (IASB)

On 22 May 2015 the IASB published limited amendments to the International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs). Most of the amendments clarify existing provisions or provide additional guidance. Two major novelties refer to allowing small and medium-sized entities an option to use the revaluation model for property, plant and equipment and to aligning the main recognition and measurement requirements for deferred income tax with IAS 12 Income Taxes. The IFRS adjustments for small and medium-sized entities become effective for reporting years beginning on or after 1 January 2017. Premature adoption is permitted. This Standard is not relevant for MediClin AG.

## Annual General Meeting resolutions from 28 May 2015

- The carrying forward of the balance sheet profit as of 31 December 2014 of EUR 21,966,765.74 to the new accounting period,
- The approval of the acts of the Management Board and Supervisory Board for the 2014 financial year,
- The election of Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart, as auditor and Group auditor for the 2015 financial year,
- Supervisory Board elections (shareholder representatives) – Dr. Ulrich Wandschneider, Michael Bock, Dr. Bernard große Broermann, Irmtraut Gürkan, Rainer Laufs and Stephan Leonhard were elected,
- Abolition of Article 13 of the Articles of Incorporation regarding the Advisory Board.

## 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, 31 July 2015

The Management Board

## Corporate decision-making bodies

### Management Board

**Volker Feldkamp**

Chairman of the Management Board

**Jens Breuer**

Chief Financial Officer

### Supervisory Board

Dr. Ulrich Wandschneider, Chairman

Hans Hilpert<sup>1</sup>, Vice Chairman

Michael Bock

Dr. Bernard große Broermann

Walburga Erichsmeier<sup>1</sup>

Dr. Tom Giesler<sup>1</sup>

Irmtraut Gürkan

Rainer Laufs

Stephan Leonhard

Thomas Müller<sup>1</sup>

Eleonore Seigel<sup>1</sup>

Matthias H. Werner<sup>1</sup>

<sup>1</sup> Employee representatives

## Supervisory Board Committees

### General and Personnel Committee

Dr. Ulrich Wandschneider (Chairman)  
Dr. Bernard große Broermann  
Dr. Tom Giesler  
Hans Hilpert  
Stephan Leonhard  
Thomas Müller

### Mediation Committee pursuant to Section 27 MitbestG

Dr. Ulrich Wandschneider (Chairman)  
Hans Hilpert  
Walburga Erichsmeier  
Stephan Leonhard

### Audit Committee

Stephan Leonhard (Chairman)  
Michael Bock  
Eleonore Seigel  
Matthias H. Werner

### Nomination Committee

Dr. Ulrich Wandschneider (Chairman)  
Michael Bock  
Stephan Leonhard

## Key data on the MediClin share

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

In € per share	Q2 2015	Q1 2015	Q2 2014	Q1 2014
Earnings un/diluted	0.07	0.02	0.06	-0.04
Cash flow from operating activities	0.01	0.07	0.07	0.09
Book value <sup>1</sup> at end of quarter	3.30	3.10	3.16	3.14
Share price at end of quarter	3.570	3.550	4.100	4.400
52-week high	4.090	-	-	-
52-week low	3.322	-	-	-
Market capitalisation at end of quarter in millions of €	169.6	168.6	194.8	209.0
Number of shares in millions	47.50	47.50	47.50	47.50

<sup>1</sup> Equity less non-controlling interests

Source: Deutsche Börse AG; Xetra/status: 01.07.2015



## Financial calendar

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**20 February 2015**

Press release for the preliminary figures for the 2014 financial year

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**19 March 2015**

Financial statements press and analysts' conference for the 2014 financial year

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**30 April 2015**

Press release for the 1st quarter 2015

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**8 May 2015**

Publication of the interim report for the 1st quarter 2015

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**28 May 2015**

Annual General Meeting

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**31 July 2015**

Press release for the 1st half-year 2015

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**7 August 2015**

Publication of the interim report for the 1st half-year 2015

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**4 November 2015**

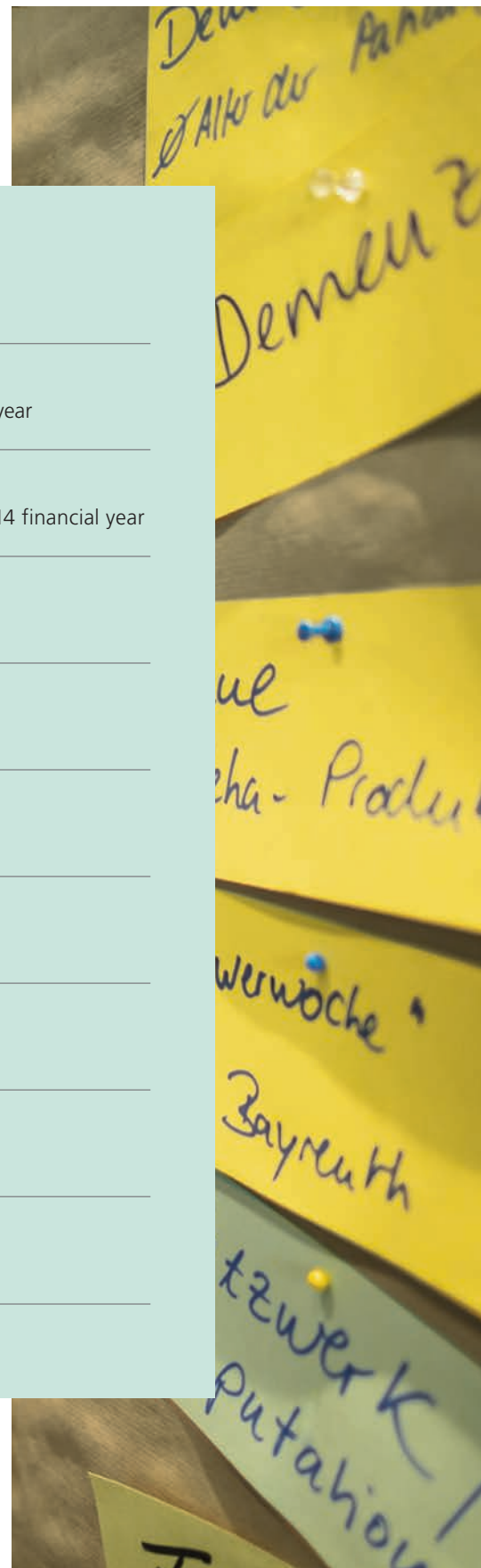
Press release for the 1st–3rd quarter 2015

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**6 November 2015**

Publication of the interim report for the 1st–3rd quarter 2015

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## Imprint

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**Leadership needs communication and communication needs leadership.**

*Communication is the very essence of leadership. A management convention is a suitable place and occasion to investigate this close relationship. Exchanging experiences and ideas enrich the participants and open up new horizons.*

**Dr. med. Matthias Blume**, Head Physician of the Specialist Clinic for Neurology  
at MediClin Reha-Zentrum Spreewald

**Leadership and communication** are essential to responsible and transparent management. Therefore the Company places great value on creating the required structural basis across all the levels of the hierarchy.