

MediClin integrates.



Interim report of MEDICLIN Aktiengesellschaft
for the period from 1 January 2016 to 30 June 2016

6M

Key data on business development in the Group

	H1 2016	H1 2015	Change in %
Number of shares in millions	47.5	47.5	0.0
Number of cases (inpatient)	60,924	59,397	+2.6
Number of beds as of 30.06.	8,050	8,006	+0.5
Occupancy rates in %	88.3	87.4	
Number of full-time employees (average number)	6,573	6,492	+1.2

In millions of €	H1 2016	H1 2015	Change in %
Cash flow from operating activities	5.0	3.9	+29.7
Cash flow from operating activities per share in €	0.11	0.08	+29.7
Sales	289.2	274.2	+5.5
EBITDAR	41.5	38.4	+7.8
EBITDAR margin in %	14.3	14.0	
EBITDA	18.4	15.6	+18.3
EBITDA margin in %	6.4	5.7	
EBIT (operating result)	9.1	6.6	+38.4
EBIT margin in %	3.1	2.4	
Financial result	-1.4	-1.6	+10.6
Total consolidated result attributable to shareholders of MediClin AG	6.3	4.3	+47.3
Earnings per share in €	0.13	0.09	+47.3
Gross capital expenditure	13.7	12.6	+8.6
Thereof subsidies	2.1	1.1	+93.1
Interest coverage factor (EBITDA/interest result)	13.0x	9.9x	

In millions of €	30.06.2016	31.12.2015	Change in %
Balance sheet total	337.6	329.4	+2.5
Equity	168.7	169.1	-0.2
Equity ratio in %	50.0	51.3	
Return on equity in % ¹	11.0	9.8	
Financial liabilities (to banks)	43.4	46.5	-6.8
Cash and cash equivalents	21.6	29.5	-27.0
Net debt	21.8	17.0	+28.2
Net debt/EBITDA ²	0.5x	0.4x	

¹ Total consolidated result in the last 12 months/equity

² EBITDA in the last 12 months

Due to arithmetical reasons, calculation differences of +/- one unit (€, %, etc.) may occur. Percentage rates and changes in % were calculated on the basis of non-rounded € figures.

**Interim Group management report of
MEDICLIN Aktiengesellschaft**
for the period from 1 January 2016 to 30 June 2016

Report on the economic position for the first six months of 2016

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

In the first six months of 2016, Group sales amounting to EUR 289.2 mill. were up EUR 15.0 mill. (+5.5 %) on sales in the first six months of 2015. The sales growth was supported by all segments. Second quarter sales in the acute segment were stable and remained at the same level as in the first quarter of 2016, thus exceeding the previous year's second quarter significantly.

The Group operating result showed a further improvement of EUR 2.5 mill. up to EUR 9.1 mill. (H1 2015: EUR 6.6 mill.).

The business development in the first six months of 2016 indicates that the sales and earnings targets for the Group can be achieved. This applies to the post-acute segment; in the acute segment, the Management Board assumes that the forecast sales growth will be reached and that the segment result will be at the lower end of the forecast range due to higher expenses.

Cash and cash equivalents as of 30 June 2016 amounted to EUR 21.6 mill. (30.06.2015: EUR 18.0 mill.). The equity ratio is 50.0 %.

EUR 13.7 mill. (gross) were invested in the first six months of 2016; this was EUR 1.1 mill. more than in the same period of the previous year.

The macroeconomic and sector-specific environment

The spring forecast published by the German government in April 2016 predicts a real increase of the gross domestic product of 1.7 % in 2016 and 1.5 % in 2017. The economic upturn is still driven by consumer spending, resulting from the strong labour market. It is expected that the positive performance of the German labour market will continue. The number of people in employment is supposed to rise by 480,000 people in 2016 and by 350,000 in 2017, thus heading for a record level of 43.9 million people in employment.

According to the preliminary financial results for the first quarter of 2016, the public health insurance funds generated a EUR 0.4 bill. surplus. Income in the first quarter of 2016 amounted to EUR 55.8 bill., while spending added up to EUR 55.4 bill. Income per insured person rose by 4.3 %, whereas spending rose by 3.2 % per insured person. The increase in expenses was clearly lower than the estimate by the Schätzerkreis for the full year 2016 (+ 4.6 %). On the back of this performance, the financial reserves of the health insurance funds climbed to EUR 14.9 bill. at the end of March 2016.

Given the favourable economic environment, the income trend is expected to remain positive in the 2016 financial year. As usual in this season, the German Health Fund posted a spending surplus of about EUR 2.5 bill. in the first quarter of 2016 (Q1 2015: about EUR 2.7 bill.).

Results of operation, financial position and net assets

Results of operation

Sales and earnings performance of the Group

	H1 2016	H1 2015	Change in %
Group sales in millions of €	289.2	274.2	+ 5.5
Raw materials and consumables used in millions of €	53.6	51.3	+ 4.4
Cost of materials ratio in %	18.5	18.7	
Staff costs in millions of €	171.0	164.0	+ 4.3
Staff costs ratio in %	59.2	59.8	
Depreciation and amortisation in millions of €	9.3	9.0	+ 3.6
Other operating expenses in millions of €	50.0	46.9	+ 6.7
Group operating result in millions of €	9.1	6.6	+ 38.4

Group sales in the first six months of the 2016 financial year were up significantly on the previous year's value, increasing by EUR 15.0 mill. or 5.5 %, respectively. Raw materials and consumables used increased by EUR 2.3 mill. (+ 4.4 %) and staff costs by EUR 7.0 mill. (+ 4.3 %), which was mainly due to a higher number of employees (+ 81 full-time employees). The rise in depreciation and amortisation and other operating expenses was in line with expectations, with the result that the Group achieved an operating result EUR 2.5 mill. above the comparable previous year's period.

The financial result was EUR –1.4 mill. and thus improved by about EUR 0.2 mill., mainly due to lower interest and similar expenses.

The total consolidated result attributable to shareholders of MEDICLIN Aktiengesellschaft was EUR 6.3 mill. (H1 2015: EUR 4.3 mill.). Earnings per share came to EUR 0.13 (H1 2015: EUR 0.09).

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

Financial position and net assets

Liquidity

In millions of €	H1 2016	H1 2015
Cash flow from operating activities	5.0	3.9
Thereof total consolidated result	6.3	4.3
Cash flow from investing activities	-9.6	-8.9
Cash flow from financing activities	-3.3	-3.3
Cash flow for the period	-7.9	-8.3
Cash and cash equivalents at the beginning of the period	29.5	26.3
Cash and cash equivalents at the end of the period	21.6	18.0

The cash flow for the period results primarily from changes in the cash flow from investing activities, which amounted to EUR -9.6 mill. (H1 2015: EUR -8.9 mill.). EUR 12.6 mill. thereof was invested in property, plant and equipment (H1 2015: EUR 11.4 mill.), while payments received from investment subsidies amounted to EUR 3.5 mill. (H1 2015: EUR 2.9 mill.).

Balance sheet structure

In millions of €	30.06.2016	In % of balance sheet total	31.12.2015	In % of balance sheet total
Assets				
Non-current assets	221.3	65.6	217.4	66.0
Current assets	116.3	34.4	112.0	34.0
	337.6	100.0	329.4	100.0
Equity and liabilities				
Equity	168.7	50.0	169.1	51.3
Non-current liabilities	108.8	32.2	103.8	31.5
Current liabilities	60.1	17.8	56.5	17.2
	337.6	100.0	329.4	100.0

The balance sheet total increased by EUR 8.2 mill. to EUR 337.6 mill. since 31 December 2015.

Non-current assets climbed by EUR 3.9 mill. to EUR 221.3 mill. since the end of the 2015 financial year. This is due primarily to a EUR 2.1 mill. rise in property, plant and equipment to EUR 163.3 mill. and an increase in deferred tax assets by EUR 1.6 mill. to EUR 5.3 mill. EUR 1.3 mill. of the increase in deferred taxes is due to the change of the discount rate for pensions. The discount rate amounted to 1.5 % as at 30 June 2016; this is 0.8 percentage points below the figure as at 31 December 2015.

Current assets increased by EUR 4.3 mill. to EUR 116.3 mill. since 31 December 2015. EUR 3.2 mill. thereof pertain to a rise in accrued receivables for prepaid expenses as of the reporting date. Trade receivables increased by EUR 8.6 mill. to EUR 75.9 mill., due mainly to higher sales. Here, unfinished services increased by EUR 5.2 mill. Unfinished services refer to receivables for services rendered to patients that remain in inpatient care after the reporting date of 30 June 2016.

Cash and cash equivalents of EUR 21.6 mill. as of 30 June 2016 were EUR 7.9 mill. below the figure as of 31 December 2015 (31.12.2015: EUR 29.5 mill.). This is due, among other reasons, to the bonus payments and variable management staff remuneration payable in the reporting period and additional corporation tax payments in the first half of 2016. Cash and cash equivalents as of 30 June 2015 amounted to EUR 18.0 mill.

On the equity and liabilities side, equity decreased by EUR 0.4 mill. despite the good total consolidated result of EUR 6.3 mill., mainly as a result of changes in the revenue reserve of EUR –6.7 mill. The revaluation of defined benefit plans and similar obligations, which is recorded in other comprehensive income pursuant to IAS 19, is recognised in the revenue reserve.

Non-current liabilities rose by EUR 5.0 mill. This is primarily attributable to a EUR 3.2 mill. decline in liabilities to banks to EUR 36.8 mill. and a rise in pensions and similar obligations by EUR 8.3 mill. to EUR 58.5 mill. EUR 8.0 mill. thereof is due to the further drop in the discount rate.

Segment reporting

Sales

In millions of €	H1 2016	H1 2015	Change in %
Post-acute	172.6	161.6	+6.8
Acute	107.4	104.0	+3.3
Other activities and reconciliation	9.2	8.6	+5.7
Thereof nursing care business area	7.2	6.8	+5.7
Group	289.2	274.2	+5.5

Sales in the post-acute segment were EUR 11.0 mill. higher than in the same period of the previous year. This growth was driven by the good utilisation of capacities in neurology, acute neurology, psychosomatics, orthopaedics and geriatrics.

The sales increase in the acute segment was generated primarily in the second quarter of 2016, which exceeded the previous year's comparable quarter significantly (Q2 2015: EUR 50.8 mill.).

Sales in the nursing care business area were up EUR 0.4 mill. to EUR 7.2 mill. on the back of an improvement of the occupancy rate by 1.1 percentage points.

Raw materials and consumables used

	H1 2016	H1 2015	Change in %
Post-acute			
Raw materials and consumables used in millions of €	35.6	34.1	+4.5
Cost of materials ratio in %	20.6	21.1	
Acute			
Raw materials and consumables used in millions of €	29.1	27.0	+8.0
Cost of materials ratio in %	27.1	25.9	

Staff costs

	H1 2016	H1 2015	Change in %
Post-acute			
Staff costs in millions of €	89.1	84.2	+5.8
Staff costs ratio in %	51.6	52.1	
Acute			
Staff costs in millions of €	57.7	56.0	+3.0
Staff costs ratio in %	53.7	53.9	

Segment results

In millions of €	H1 2016	H1 2015
Post-acute	9.0	5.8
Acute	4.2	5.2
Other activities and reconciliation	-4.1	-4.4
Group	9.1	6.6

The post-acute segment result rose by EUR 3.2 mill. to EUR 9.0 mill. This was driven by the EUR 11.0 mill. increase in sales and the fact that the rise in staff costs and raw materials and consumables used was disproportionately low compared to sales growth (EUR +6.4 mill.). Other operating expenses increased by EUR 2.7 mill. The rise is due above all to higher maintenance and repair expenses and the fact that rental expenses and income from the nursing care business area are no longer offset. The segment's EBIT margin improved from 3.6 % to 5.2 %.

Despite the sales plus of EUR 3.4 mill., the rise in staff costs and raw materials and consumables used (together, EUR +3.8 mill.) and the increase in other operating expenses (EUR +1.0 mill.) means that the segment result in the acute segment was below the previous year. The main increases in other operating expenses refer to receivables write-offs (EUR +0.6 mill.) and insurance premiums (EUR +0.3 mill.). The segment's EBIT margin dropped from 5.0 % to 3.9 %.

Segment results and net assets in half-year comparison

In millions of €	January – June 2016					
	Post-acute	Acute	Other activities	Subtotal	Reconciliation	Total
Sales	172.6	107.4	34.5	314.5	-25.3	289.2
Total sales	175.0	108.8	36.1	319.9	0.0	319.9
Internal sales	2.4	1.4	1.6	5.4	25.3	30.7
Raw materials and consumables used	-35.6	-29.1	-12.8	-77.5	23.9	-53.6
Staff costs	-89.1	-57.7	-23.3	-170.1	-0.9	-171.0
Other operating expenses	-38.1	-13.9	-6.3	-58.3	8.3	-50.0
Segment result	9.0	4.2	-2.0	11.2	-2.1	9.1
Thereof non-cash items:						
Scheduled depreciations/ write-ups	-5.2	-7.4	-0.7	-13.3	0.0	-13.3
Unscheduled depreciations/ write-ups	0.0	0.0	0.0	0.0	0.0	0.0
Release of special item	0.4	3.6	0.0	4.0	0.0	4.0
Allowances	-0.2	-0.8	0.0	-1.0	0.0	-1.0
Allocation of provisions/ liabilities	-10.3	-7.1	-10.6	-28.0	-0.7	-28.7
Release of provisions/ liabilities	0.6	0.3	0.1	1.0	0.1	1.1
Financial revenues	0.1	0.0	0.1	0.2	-0.2	0.0
Financial costs	-0.5	-0.6	-0.6	-1.7	0.3	-1.4
Financial result	-0.4	-0.6	-0.5	-1.5	0.1	-1.4
Taxes on income	0.1	0.0	-0.7	-0.6	-0.8	-1.4
Assets	141.6	160.6	10.0	312.2	25.4	337.6
Liabilities	22.6	24.4	78.1	125.1	43.7	168.8
Gross capital expenditure	8.2	4.5	1.0	13.7	0.0	13.7

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

Development of the coverage provider structure

Pursuant to IFRSs (IFRS 8.34 "Information about 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.

Sales generated with coverage providers are monitored and controlled on a monthly basis. According to these statistics, the social security pension funds accounted for 48.2 % (H1 2015: 48.5 %) of services in the post-acute segment in the first six months of 2016, while the public health insurance funds accounted for 43.0 % (H1 2015: 43.0 %). In the acute segment, 92.6 % of requested services (H1 2015: 92.8 %) were attributable to the public health insurance funds.

Capital expenditure

Gross additions to non-current assets

In millions of €	H1 2016	H1 2015
Licences, concessions	0.7	0.6
Land, buildings	0.8	0.4
Technical equipment, EDP	0.4	0.1
Operating and office equipment	6.1	6.3
Payments on account and assets under construction	5.7	5.2
Total	13.7	12.6

A large part of capital expenditure amounting to about EUR 6.4 mill. was used for reconstruction and expansion measures in the first six months of 2016. Another EUR 2.2 mill. were spent on medical devices and equipment, EUR 1.7 mill. on furnishing patient rooms, treatment and office rooms, and EUR 0.5 mill. on the renewal, expansion and network connection of the information and data processing systems and hardware.

Employees

A comparison of the first six months reveals that the number of employees, calculated in full-time employees, increased considerably in the post-acute segment, which is due to the larger range of services on offer. The Group employed an average of 244 trainees in the first six months of 2016 (H1 2015: 242 trainees).

Average number of employees in the Group and in the segments

Shown in full-time employees	H1 2016	H1 2015	Change
Post-acute	3,450	3,373	+77
Acute	1,962	1,962	0
Other activities	1,161	1,157	+4
Thereof nursing care business area	190	180	+10
Thereof service business area (including administration)	971	977	-6
Group	6,573	6,492	+81

A comparison with the previous year's first six months reveals that sales per full-time employee rose by 4.2 %, while staff costs per full-time employee increased by 3.0 %.

Key data per full-time employee in the Group

In €	H1 2016	H1 2015
Sales per full-time employee	43,992	42,236
Staff costs per full-time employee	26,022	25,267

Report concerning related parties

Business relations to related parties are handled at normal market conditions and amount to the following:

In millions of €	H1 2016	H1 2015
Income		
Sales from post-acute, acute and nursing care services	1.0	0.9
Real estate management income	0.2	0.2
Pension payments of MAUK ¹	0.4	0.4
Service contracts	0.1	0.1
Expenses		
Lease expenses ²	22.1	22.0
Real estate management costs	0.4	0.4
Insurance premiums	0.7	0.7
Service contracts	4.1	3.7
Remuneration for key management personnel	1.1	1.0
Payments to MAUK ¹	0.4	0.4
IT services	0.8	0.0
Other purchased goods and services	0.2	0.2

In millions of €	30.06.2016	31.12.2015
Receivables		
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	0.2
Liabilities		
Service contracts	0.1	0.3
Provisions for insurance benefits	0.6	0.2
Provisions for remuneration for key management personnel	0.3	0.9

¹ Mitarbeiterunterstützungskasse der vereinigten Klinikbetriebe (MAUK)

² Leasing expenses include EUR 21.7 mill. (H1 2015: EUR 21.7 mill.) in rental payments to the OIK-Immobilienfonds; for more details, see the following explanatory notes on the OIK-Immobilienfonds

EUR 0.3 mill. of the provisions for remuneration for key management personnel is due within the time frame of one year (31.12.2015: EUR 0.8 mill.).

OIK-Immobilienfonds

MEDICLIN Aktiengesellschaft (MediClin) filed a suit with the District Court of Offenburg asserting claims for repayment of rental payments above the usual market rate. The Company assumes that the aggregate rents paid for the period 2005 to 2015 were higher than the usual market rents in this period.

The suit was filed against existing and former shareholders of the Company, who hold shares of the real estate fund into which the hospitals acquired and rented back between 1999 and 2001 were incorporated.

MediClin carefully weighed up the opportunities and risks of the suit in view of the fact that the subject matter of the legal dispute is highly complex, especially with regard to the evaluation whether rents conform to usual market rates, and that some of the very difficult questions of law involved have not yet been decided by the highest courts.

Therefore, the Management Board is of the opinion that no changes to the balance sheet are required in this respect.

Subsequent events

In July 2016 the Company took out a new syndicated loan amounting to EUR 60 mill. with a consortium of banks in order to refinance the existing syndicated loan of originally EUR 50 mill. amortising loan and EUR 10 mill. working capital facility concluded on 13 February 2012 (book value as of 29.07.2016: EUR 30 mill.). EUR 30 mill. thereof are designated to refinance the original syndicated loan. This amount is repayable upon final maturity, i.e. five years after signing the loan agreement plus two renewal options of one year each. The other EUR 30 mill. refer to a revolving working capital facility that can be drawn as needed. The interest rate is composed of a margin (depending on the leverage ratio) and the Euribor for the respective interest period.

Since the interim reporting date of 30 June 2016, there have been no further 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 2015 Annual Report that could have a material impact on MediClin's future business development.

New legal regulations

At the end of June 2016, the German Federal Cabinet (Bundeskabinet) approved the draft for a third Act to Strengthen Nursing Care and to Amend Further Regulations (Drittes Pflegestärkungsgesetz – PSG III). The act still requires approval by the German Federal Council (Bundesrat). The most important provisions of PSG III refer to the following:

- ensuring the supply of nursing care,
- improving the regional provision of advisory services to persons in need of care and their relatives,
- offering support in day-to-day needs,

- implementing the new legal term in need of care,
- clarifying the interface between nursing care insurance and integration aid, and
- implementing measures to prevent nursing care billing fraud.

Most of the provisions of PSG III are to become effective on 1 January 2017.

Risk and opportunity report

No new noteworthy risks or opportunities have arisen during the first six months of the 2016 financial year, and there were no changes in the risk and opportunity management; hence we refer to the information provided in the 2015 Annual Report.

MEDICLIN Aktiengesellschaft

Offenburg, 5 August 2016

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", "expect", "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 2016 to 30 June 2016

Consolidated interim balance sheet as of 30 June 2016

ASSETS

In thousands of €	30.06.2016	31.12.2015
NON-CURRENT ASSETS		
Goodwill and other intangible assets		
Concessions, licences	1,651	1,677
Goodwill	48,484	48,484
Payments on account	351	235
	50,486	50,396
Property, plant and equipment		
Land, land rights and buildings including buildings on third-party land	101,804	102,297
Technical equipment and machines	11,746	11,081
Operating and office equipment	37,676	37,857
Payments on account and assets under construction	12,082	9,929
	163,308	161,164
Financial assets		
Investment in stock of subsidiaries	65	66
Reinsurance cover	1,334	1,334
Other financial investments	2	2
	1,401	1,402
Other financial assets	700	700
Non-current income tax claims	74	71
Deferred tax assets	5,333	3,711
	221,302	217,444
CURRENT ASSETS		
Inventories	5,649	6,154
Trade receivables	75,936	67,326
Current income tax claims	80	80
Other financial assets		
Receivables pursuant to hospital financing law	5,753	4,770
Other current financial assets	3,199	3,191
	8,952	7,961
Other assets	4,087	929
Cash and cash equivalents	21,559	29,532
	116,263	111,982
	337,565	329,426

EQUITY AND LIABILITIES

In thousands of €	30.06.2016	31.12.2015
EQUITY		
Shares MediClin Group		
Subscribed capital	47,500	47,500
Capital reserve	129,392	129,392
Revenue reserve	-24,682	-18,029
Consolidated balance sheet result	16,912	10,625
	169,122	169,488
Non-controlling interests	-380	-349
	168,742	169,139
NON-CURRENT LIABILITIES		
Financial liabilities		
Liabilities to banks	36,794	39,962
	36,794	39,962
Liabilities from finance leases	6,647	6,783
Pensions and similar commitments	58,526	50,271
Other provisions	3,663	3,713
Other financial liabilities	581	646
Other payables	2,551	2,471
	108,762	103,846
CURRENT LIABILITIES		
Trade payables	7,594	12,018
Financial liabilities		
Liabilities to banks	6,582	6,584
	6,582	6,584
Liabilities from finance leases	315	265
Other provisions	5,333	5,221
Current income tax liabilities	1,637	3,309
Other financial liabilities		
Liabilities pursuant to hospital financing law	10,821	7,413
Other liabilities	4,809	4,268
	15,630	11,681
Other payables	22,970	17,363
	60,061	56,441
	337,565	329,426

Consolidated interim profit and loss account

In thousands of €	January–June 2016	January–June 2015	April–June 2016	April–June 2015
Sales	289,162	274,194	147,280	137,631
Other operating income	3,906	3,638	1,972	1,769
Total operating performance	293,068	277,832	149,252	139,400
Raw materials and consumables used				
a) Cost of raw materials and supplies	–32,060	–29,840	–16,537	–14,877
b) Cost of purchased services	–21,512	–21,484	–10,617	–10,502
	–53,572	–51,324	–27,154	–25,379
Staff costs				
a) Wages and salaries	–146,219	–139,919	–71,999	–69,119
b) Social security, pension and retirement	–24,823	–24,112	–13,030	–12,633
	–171,042	–164,031	–85,029	–81,752
Other operating expenses	–50,025	–46,900	–25,004	–22,741
Result before interest, taxes, depreciation and amortisation / EBITDA	18,429	15,577	12,065	9,528
Depreciation and amortisation	–9,330	–9,003	–4,665	–4,547
Operating result / EBIT	9,099	6,574	7,400	4,981
Financial result				
a) Income from participations	26	13	0	13
b) Interest and similar income	14	13	9	2
c) Interest and similar expenses	–1,432	–1,584	–707	–784
	–1,392	–1,558	–698	–769
Result before tax	7,707	5,016	6,702	4,212
Taxes on income	–1,395	–718	–1,243	–699
Total consolidated result	6,312	4,298	5,459	3,513
Thereof attributable to shareholders of MediClin AG	6,287	4,269	5,433	3,487
Thereof attributable to non-controlling interests	25	29	26	26
Total consolidated result attributable to shareholders of MediClin AG per share				
Undiluted (in €)	0.13	0.09	0.11	0.07
Diluted (in €)	0.13	0.09	0.11	0.07

Consolidated interim statement of comprehensive income

In thousands of €	January – June 2016	January – June 2015	April – June 2016	April – June 2015
Total consolidated result	6,312	4,298	5,459	3,513
Other comprehensive income				
Revaluation from defined benefit plans and similar obligations	-7,971	-1,939	-2,989	7,759
Taxes on income	1,262	307	473	-1,228
Additions to value adjustments that are not reconciled to the total consolidated result	-6,709	-1,632	-2,516	6,531
Thereof attributable to shareholders of MediClin AG	-6,653	-1,618	-2,495	6,477
Thereof attributable to non-controlling interests	-56	-14	-21	54
Additions to value adjustments that are reconciled to the total consolidated result	0	0	0	0
Group comprehensive income	-397	2,666	2,943	10,044
Thereof attributable to shareholders of MediClin AG	-366	2,651	2,938	9,964
Thereof attributable to the non-controlling interests	-31	15	5	80

Consolidated cash flow statement

In thousands of €	January–June 2016	January–June 2015
Operating result (EBIT)	9,099	6,574
Result of finance activities	-1,392	-1,558
Result of income taxes	-1,395	-718
Total consolidated result	6,312	4,298
Depreciation on fixed asset items	9,330	9,003
Change in deferred taxes	-1,621	-611
Change in non-current provisions	8,205	2,245
Change in current provisions	113	-209
Result from the disposal of fixed asset items	-12	-20
Result from other non-cash items	-6,709	-1,633
Changes in non-current income tax claims	-3	-5
Changes in current income tax claims	0	6
Changes in other current assets	-13,656	-13,382
Changes in other non-current liabilities	80	39
Changes in other current liabilities	2,957	4,120
Cash flow from operating activities	4,996	3,851
Payments received from the disposal of fixed assets	54	152
From the disposal of property, plant and equipment	54	152
Payments received from investment subsidies	3,503	2,947
Cash used for investments in fixed assets	-13,206	-11,963
In intangible assets	-624	-580
In property, plant and equipment	-12,582	-11,383
Cash flow from investing activities	-9,649	-8,864
Repayment of financial liabilities	-3,320	-3,364
Cash flow from financing activities	-3,320	-3,364
Cash flow for the period	-7,973	-8,377
Cash and cash equivalents at the beginning of the period	29,532	26,347
Cash and cash equivalents at the end of the period	21,559	17,970

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 01.01.2015	47,500	129,392	-16,645	-5,910	154,337	-390	153,947
Total consolidated result	-	-	-	4,269	4,269	29	4,298
Other comprehensive income	-	-	-1,618	-	-1,618	-14	-1,632
Group comprehensive income	-	-	-1,618	4,269	2,651	15	2,666
As of 30.06.2016	47,500	129,392	-18,263	-1,641	156,988	-375	156,613

In thousands of €	Subscribed capital	Capital reserve	Revenue reserve	Consolidated balance sheet result	Shares MediClin Group	Non-controlling interests	Total equity
As of 01.01.2016	47,500	129,392	-18,029	10,625	169,488	-349	169,139
Total consolidated result	-	-	-	6,287	6,287	25	6,312
Other comprehensive income	-	-	-6,653	-	-6,653	-56	-6,709
Group comprehensive income	-	-	-6,653	6,287	-366	-31	-397
As of 30.06.2016	47,500	129,392	-24,682	16,912	169,122	-380	168,742

Other information

General information

The unaudited consolidated interim financial statements of MEDICLIN Aktiengesellschaft for the first six months of the 2016 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 2015 financial year. It should thus be read in conjunction with the Annual Report published by the Group for the 2015 financial year and the interim report for the first quarter of 2016. The discount rate for pension obligations pursuant to IAS 19 forms an exception. It stood at 1.5 % as of 30 June 2016 (31.03.2016: 1.8 %; 31.12.2015: 2.3 %).

EU endorsement

In the first six months of 2016, the EU Commission did not publish any new standards or interpretations or amendments thereto.

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

On 20 June 2016 the International Accounting Standards Board (IASB) published amendments to IFRS 2 "Share-Based Payment". The amendments refer to the classification and measurement of share-based payment transactions in the following fields:

- inclusion of vesting conditions (service conditions, market conditions and other performance conditions) in the measurement of cash-settled share-based payment models,
- classification of share-based payment transactions to be settled net of tax withholdings, and
- accounting for modifications to the conditions if the modifications require a reclassification of the payment from "cash-settled" to "equity-settled".

The amendments must be applied to payments, are granted or modified in financial years beginning on or after 1 January 2018. Premature adoption is permitted. Retroactive adoption is only permitted if an entity has all of the necessary information and if the information is available without the use of hindsight.

At present, these amendments are of no relevance to MediClin.

Annual General Meeting resolutions from 25 May 2016

- Carryforward of net profit of MEDICLIN Aktiengesellschaft as of 31 December 2015 totalling EUR 29,325,811.12 to new account
- The approval of the acts of the Management Board and Supervisory Board for the 2015 financial year
- The election of Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart, as auditor and Group auditor for the 2016 financial year
- By-election of Supervisory Board member (shareholder representative): Ms Cornelia Wolf, Head of Group Internal Audit and Risk Management of Asklepios Kliniken GmbH, Hamburg
- Resolution to change the meeting venue and to amend Article 13 (1) Sentence 2 of the Articles of Incorporation. Article 13 (1) Sentence 2 of the Articles of Incorporation is annulled and reworded as follows: "The Annual General Meeting shall be held at the registered office of the Company, a German exchange location or within a distance of 30 kilometres from the registered office of a German exchange location"
- Resolution concerning the release from the obligation to disclose individualised Management Board remuneration in the Company's annual financial statements and the consolidated financial statements

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, 5 August 2016

The Management Board

Quarterly development in the Group

In millions of €	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015	Q1 2015
Sales	147.3	141.9	140.9	140.2	137.6	136.6
EBITDAR	23.6	17.9	22.4	27.0	21.0	17.5
EBITDAR margin in %	16.0	12.6	15.9	19.3	15.2	12.8
EBITDA	12.0	6.4	10.9	15.6	9.5	6.0
EBITDA margin in %	8.2	4.5	7.8	11.1	6.9	4.4
EBIT (operating result)	7.4	1.7	6.2	10.8	5.0	1.6
EBIT margin in %	5.0	1.2	4.4	7.8	3.6	1.2
Financial result	-0.7	-0.7	-1.3	-0.7	-0.8	-0.8
Result attributable to shareholders of MediClin AG	5.4	0.9	4.0	8.2	3.5	0.8
Earnings per share in €	0.11	0.02	0.09	0.17	0.07	0.02
Cash flow from operating activities	1.1	3.9	4.7	20.3	0.5	3.4
Cash flow from operating activities per share in €	0.03	0.08	0.10	0.43	0.01	0.07
Equity ratio in %	50.0	49.0	51.3	49.7	48.7	45.3
Gross capital expenditure	6.6	7.1	7.0	7.4	5.8	6.8
Net financial debt	21.8	18.6	17.0	16.5	31.8	27.7
Number of cases (inpatient)	31,135	29,789	30,053	30,566	29,949	29,448
Number of beds (end of quarter)	8,050	8,050	8,031	8,031	8,006	8,005
Occupancy rates in %	90.4	86.2	86.3	88.4	88.2	86.6
Number of full-time employees (quarterly average)	6,587	6,558	6,595	6,516	6,521	6,463

Key data on the MediClin share

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

In € per share	H1 2016	H1 2015
Earnings un/diluted	0.13	0.09
Cash flow from operating activities	0.11	0.08
Book value ¹ as of 30.06.	3.56	3.31
Share price as of 30.06.	5.330	3.570
52-week high	5.500	–
52-week low	3.460	–
Market capitalisation as of 30.06. in millions of €	253.2	169.6
Number of shares in millions	47.5	47.5

¹ Equity less non-controlling interests

Source: Deutsche Börse AG; Xetra/status: 21.07.2016

Financial calendar

19 February 2016

Press release for the preliminary figures for the 2015 financial year

23 March 2016

Financial statements press and analysts' conference for the 2015 financial year

12 May 2016

Publication of the interim report from 1 January 2016 to 31 March 2016

25 May 2016

Annual General Meeting

5 August 2016

Publication of the interim report from 1 January 2016 to 30 June 2016

10 November 2016

Publication of the interim report from 1 January 2016 to 30 September 2016

Addresses and imprint

MEDICLIN Aktiengesellschaft

Okenstrasse 27
77652 Offenburg
Germany
Phone +49(0)781/4 88-0
Fax +49(0)781/4 88-133
E-mail info@mediclin.de
www.mediclin.de

Public Relations

Gabriele Eberle
Phone +49(0)781/4 88-180
Fax +49(0)781/4 88-184
E-mail gabriele.eberle@mediclin.de

Investor Relations

Alexandra Mühr
Phone +49(0)781/4 88-326
Fax +49(0)781/4 88-184
E-mail alexandra.muehr@mediclin.de

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

