

Report of the Board of Management to the Annual General Meeting pursuant to section 71 (1) no. 8 of the AktG in conjunction with section 186 (4) sentence 2 of the AktG with regard to Agenda Item 6

The Board of Management submitted a written report on Agenda Item 6 pursuant to sections 71 (1) no. 8, 186 (4) sentence 2 of the AktG. From the date of the convening of the Annual General Meeting, the report has been available at the premises of the Company for inspection by the shareholders. On request, a copy of this report will be sent to every shareholder without delay and free of charge. The report will also be displayed for inspection at the Annual General Meeting and is made available on the Internet homepage of the Company at <http://www.rhoen-klinikum-ag.com/hv> from the date of convening of the Annual General Meeting.

The report will be made public with the following content:

Agenda Item 6 contains the proposal to authorise the Company to purchase treasury shares up to an amount equal to no more than 10 per cent of the current registered share capital in the period from the date of adoption of the resolution until 31 December 2013.

Already the Annual General Meeting of 8 June 2011 had authorised the Company until 31 December 2012 to purchase treasury shares in a pro rata amount of the registered share capital of up to 10 per cent of the registered share capital and, subject to certain conditions, to sell these shares by means other than via the stock market or through an offer to all shareholders. This authorisation was not exercised. Since the authorisation will expire before the 2013 Annual General Meeting, a new authorisation is required in order to purchase treasury shares also in the future.

Pursuant to section 71 (1) no. 8 of the AktG, as amended by the German Act Implementing the Shareholder Rights Directive (Gesetz zur Umsetzung der Aktionärsrechterichtlinie, ARUG), an authorisation may be granted for a period of up to 5 years. However, this option will not be fully exhausted. Based on the practice existing before entry into force of the ARUG, the authorisation will apply only for approximately 18 months (until 31 December 2013).

When purchasing treasury shares the principle of equal treatment of shareholders pursuant to section 53a of the AktG must be observed. The proposed purchase of treasury shares via the stock market or by way of public purchase offer gives due regard to this principle. In the event that, following a public purchase offer, the number of shares tendered for repurchase at the price determined exceeds the volume of the purchase offer, it will be necessary to allocate quotas. In this context it will be possible to provide for a preferential acceptance of small tenders or small parts of tenders up to a maximum of 50 shares, the purpose of which is to avoid fractional amounts in the determination of the quotas to be purchased as well as small residual amounts in order to facilitate technical execution.

In accordance with the proposed authorisation, the treasury shares purchased by the Company may be either redeemed or resold by way of an offer to all shareholders or via the stock market. The latter two possibilities of disposing of purchased treasury shares respect shareholders' right to equal treatment also in the event the shares are sold.

The authorisation further provides, in keeping with the statutory provision in section 71 (1) no. 8 sentence 5 of the AktG, that the Company, subject to the consent of the Supervisory Board, may dispose of purchased treasury shares other than via the stock market or other than by way of an offer to all shareholders, excluding the shareholders' subscription right, if such treasury shares, pursuant to section 186 (3) sentence 4 of the AktG, are sold at a price which is not substantially lower than the stock market price of the share of RHÖN-KLINIKUM AG at the time of the sale, and provided that the number of the repurchased shares to be sold together with the new shares issued ex subscription rights since the granting of the present authorisation pursuant to section 186 (3) sentence 4 of the AktG shall not in the aggregate exceed 10 per cent of the registered share capital of the Company on neither the effective date nor the exercise date of the present authorisation. The possibility of sale other than via the stock market or by way of an offer to all shareholders is in the interest of the Company and of the shareholders as the sale of shares, for example to institutional investors, allows the Company to attract and gain additional domestic and international shareholders. This authorisation will enable the Company to respond quickly and flexibly to the given stock market situation.

By limiting the sale of treasury shares to a maximum amount of 10 per cent of the registered share capital, it is ensured that both the economic as well as the voting interests of the shareholders are not unduly impaired also in the event of a sale of the treasury shares ex subscription rights of the shareholders. Since the shares sold ex subscription rights of the shareholders may only be sold at a price which is not substantially lower than the stock market price of the share of RHÖN-KLINIKUM AG at the time of the sale, shareholders do not incur any disadvantage thereby since they may acquire the required number of shares to preserve their participation ratio on nearly identical terms via the stock market. The Board of Management shall – giving due regard to the respective stock market situation – endeavour to keep any discount on the stock market price permitted within the scope of section 186 (3) sentence 4 of the AktG as low as possible.

Furthermore, the Company is to be given the possibility of using treasury shares as (partial) consideration for the acquisition of other companies, interests in companies or of parts of companies as well as for business combinations. For this reason the authorisation provides for the possibility, subject to the consent of the Supervisory Board, to dispose of all or part of the purchased treasury shares by means other than via the stock market or through an offer to all shareholders, ex subscription rights, provided that this is made against contribution in kind in connection with the aforementioned purpose.

The Company is also to be enabled to expand in future through further hospital takeovers. The legal provisions of German hospital requirement planning in the area of acute inpatient healthcare delivery to statutorily insured patients do not legally rule out growth through the establishment of new hospitals, but this is virtually impossible in practice. Further expansion will be achieved first and foremost through the acquisition of existing hospitals. The proposed authorisation gives the Board of Management the requisite manoeuvring room to quickly and flexibly respond, in the interests of the Company and its shareholders, to favourable offers or to other opportunities as they arise and to exploit the scope for expansion by acquiring companies or interests in companies, also using treasury shares as an acquisition currency.

After weighing up all these circumstances, the authorisations set forth in the resolution proposal for the exclusion of subscription rights in the event of a disposal at a price close to the stock market price and for the acquisition of companies and interests in companies are necessary, suitable, reasonable and expedient in the interests of the Company.

There are currently no specific plans to exercise such authorisation. The Board of Management, however, will report to the Annual General Meeting in each case that the authorisation is exercised.