INTERIM REPORT
Q1 2013

RHÖN-KLINIKUM
AKTIENGESELLSCHAFT

CONTENTS

LETTER TO SHAREHOLDERS

Dear Shareholders,

In the first quarter of financial year 2013, RHÖN-KLINIKUM AG raised its key performance ratios significantly compared with the previous year. In the first three months we treated 670,677 patients. This translates into a rise of exactly 10% compared with the first quarter last year. Our revenues climbed by 10.2% to reach € 69.9 million.

The sharp rise in our service volumes is primarily accounted for by the integration of Dr. Horst Schmidt Kliniken (HSK) into our hospital network. Although the integration process is generally on target, HSK's currently pronounced initial loss situation is still putting a squeeze on our consolidated result also in the first quarter of 2013. Nonetheless, we have already succeeded in making major headway. We expect our efforts to start paying off in the further course of the year with a first positive contribution to the Company's overall success.

Following what turned out to be a special year for RHÖN-KLINIKUM AG in 2012 and after I assumed my office in January 2013, there is no doubt that we continue to face major challenges this year. Whilst some of these affect the sector as a whole, others specifically concern our Company:

Our investment in Gießen and Marburg University Hospital represents the greatest operative challenge facing our Company also in 2013. The result of the university hospital had a significant impact on the result for full-year 2012. Over the next months we expect the many different measures introduced in the second half of 2012, which we continue to press ahead with relentlessly, to have a positive impact. Moreover, the Declaration of Intent entered into with the Federal State of Hesse at the end of January gives a boost to our activities. With this agreement we have been able to open up new prospects for our Universitätsklinikum Gießen und Marburg.

We are especially keen on shaping the perception of our Company in future by once again drawing attention to the modern standards of our facilities and the cutting-edge medicine which they deliver. This standard is represented by Universitätsklinikum Gießen und Marburg in an exemplary manner. Likewise, our staff on site, as at all our other hospitals, are wholly committed to our highest credo day by day: affordable medical care to the highest standards for everyone.

A proceeding of strategic importance for RHÖN-KLINIKUM AG is the request made by Asklepios to Germany's antitrust authority, the Federal Cartel Office, regarding an increase in its shareholding in our Company. It approved Asklepios' acquisition of an interest in our Company of over 10% subject to certain requirements. We have now lodged an appeal against this decision, and the matter will now come before the Düsseldorf Court of Appeals. We do understand the traditional regional view of the Federal Cartel Office, but we consider this decision to be an obstacle to our contemplated establishment of a national medical network and are therefore now seeking judicial clarification of this issue.

Because of the necessary adjustments to the market parameters that are being strongly influenced by the German legislator, many hospitals face challenges that threaten their very survival. Given the comfortable finances of statutory health insurance and of the Central Health Fund (which currently has reserves of over € 25 billion), the partners of the coalition government have now decided to mitigate the effects of the politically pursued cost cuts for the hospitals. It is particularly the unavoidable cost increases of the hospitals that are to be offset by these measures. Initially the hospitals are to be provided with additional funding to the tune of roughly € 1.1 billion over the next two years, from which our Company might also benefit. However, the situation of a cost-cutting policy not based on performance criteria remains.

Based on the measures already taken since I assumed my office in January 2013, we expect revenues of € 3.03 billion euros in 2013 which may fluctuate within a range of plus or minus 2.5%. This revenue target is accompanied by a forecast for EBITDA of € 325 million and for net consolidated profit of € 110 million – in each case subject to a fluctuation range of 5%.

To build on the successes of the previous years, a detailed optimisation programme is currently being developed and implemented whose results should be felt already this year.

Yours sincerely,
RHÖN-KLINIKUM AG

Dr. med. Dr. jur. Martin Siebert
Chairman of the Board of Management

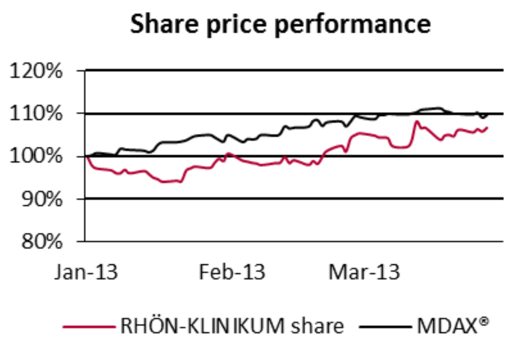
THE RHÖN-KLINIKUM SHARE

During the first quarter of 2013, the trend on the international stock markets continued to be mainly dominated by various international political and economic policy events. Some of the important issues were the continued debate on the US budget policy, the elections in Italy and, at the end of the quarter, the exacerbation of the banking and debt crisis in Cyprus. The uncertainty that was felt in such environment on the markets was counter-acted by the ongoing supporting measures taken by the central banks in monetary policy. Meanwhile, the economic outlook in Germany remained stable during the first quarter, as could be seen in the positive trend in the expectations component of the Ifo business climate index.

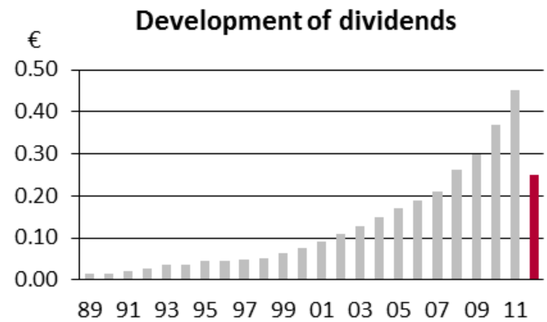
RHÖN-KLINIKUM share		
ISIN		DE0007042301
Ticker symbol		RHK
Registered share capital		345,580,000 €
Number of shares		138,232,000
	31 March 2013	**31 Dec. 2012**
Market capitalisation (€ m)	2,289.12	2,117.71
Share prices, in €	**1 Jan.-31 March 2013**	**1 Jan.-31. Dec. 2012**
Closing price	16.56	15.32
High	16.78	22.10
Low	14.60	13.97

Amid this mixed environment, the German leading index DAX® recorded a gain within an overall volatile stock market environment of 2.4% over the quarter. It closed the quarter at 7,795 points after briefly exceeding the mark of 8,000 points in the middle of March. The DJ EURO STOXX 50 lost 0.5% in the course of the quarter. By contrast, the MDAX® witnessed a relative outperformance, gaining 11.8%.

Defensive stocks from the healthcare industry also benefited disproportionately in this stock market environment. For example, the DJ EURO STOXX Healthcare Index rose by 10.9% over the quarter. The share of RHÖN-KLINIKUM AG also benefited from this trend, gaining 8.1% over the first quarter and ending the quarter at a closing price of € 16.56. At the end of the quarter our market capitalisation, including all issued 138.23 million non-par shares, stood at € 2.3 billion (31 December 2012: € 2.1 billion). In the MDAX® we thus ranked 19th by market capitalisation (31 December 2012: 19th).



Our next Annual General Meeting will take place on 12 June 2013 at 10.00 a.m. at the Jahrhunderthalle in Frankfurt (admission from 9.00 a.m.). On 8 August 2013 we will publish the Half-Year Financial Report as at 30 June 2013.



All data adjusted in euros (138,232,000 ordinary shares)
2012: Dividend of € 0.25 will be proposed to the shareholders at the AGM on 12 June 2013

A financial calendar containing all important financial dates for 2013 is provided at the end of this Report as well as on our website at www.rhoen-klinikum-ag.com under the "Investors" section.

CONSOLIDATED INTERIM REPORT OF THE MANAGEMENT

REPORT ON THE FIRST QUARTER OF FINANCIAL YEAR 2013

- Our Group-wide patient numbers, with the inclusion of Wiesbaden-based Dr. Horst Schmidt Kliniken, rose by +10.0% in total compared with the same period last year. This was accompanied by growth in revenues of +10.2%.
- During the first quarter of 2013, we generated a net consolidated profit of € 24.3 million (same period last year: € 34.1 million) with EBITDA amounting to € 74.9 million (same period last year: € 81.8 million).
- In our forecast for financial year 2013, we expect revenues of € 3.03 billion fluctuating within a range of 2.5%, as well as EBITDA of € 325 million and net consolidated profit of € 110 million, in each case subject to a variance of +/-5%.

GENERAL INFORMATION

The abridged interim consolidated financial statements of RHÖN-KLINIKUM AG for the year ended 31 March 2013 have been prepared in accordance with the provisions of IAS 34 in abridged form, and applying section 315a of the German Commercial Code (Handelsgesetzbuch, HGB) in accordance with International Financial Reporting (IFRS) of the International Accounting Standards Board (IASB) as well as the related Interpretations of the International Financial Reporting Standard Interpretations Committee (IFRIC), which are the subject of mandatory adoption in accordance with the European Parliament and Council Directive number 1606/2002 concerning the application of international accounting standards in the European Union in financial year 2013.

The accounting and valuation methods applied, to the extent already applied in financial year 2012 and consistently applied in financial year 2013, are set out in detail in the Consolidated Financial Statement of RHÖN-KLINIKUM AG as at 31 December 2012. The accounting and valuation methods applicable in principle for the first time in financial year 2013 are explained in the Abridged Notes to this Interim Report. On a current view, these will have only the effects as stated in the Abridged Notes on the net assets, financial position and results of operations of RHÖN-KLINIKUM AG.

In accordance with IAS 33, earnings per share were determined according to the weighted average number of ordinary shares outstanding on a pro rata temporis basis.

If data are provided below on individual companies, these are values before consolidation. For computational reasons, rounding differences of ± one unit (€, %, etc.) may occur in the tables.

REVIEW OF BUSINESS PERFORMANCE IN THE FIRST THREE MONTHS AND OUTLOOK FOR THE FURTHER COURSE OF FINANCIAL YEAR 2013

Comparison of the first three months

January through March	2013	2012	Change	
	€m	€m	€m	%
Revenues	752.2	682.3	69.9	10.2
EBITDA	74.9	81.8	-6.9	-8.4
EBIT	39.9	48.5	-8.6	-17.7
EBT	29.7	41.0	-11.3	-27.6
Operating cash flow	59.5	66.0	-6.5	-9.8
Net consolidated profit	24.3	34.1	-9.8	-28.7

Including the acquisition of HSK, Dr. Horst Schmidt Kliniken GmbH, Wiesbaden and its subsidiaries (HSK group) consolidated since 1 May 2012, we recorded, compared with the first three months of 2013 – with

- a rise in case numbers by 60,781 cases or 10.0% to a total of 670,677 cases (previous year: 609,896 cases), and
- a rise in revenues by € 69.9 million or 10.2% to € 752.2 million (previous year: € 682.3 million),

– a decline in EBITDA by € 6.9 million or 8.4% to € 74.9 million (previous year: € 81.8 million). The decline in EBIT by € 8.6 million or 17.7% to € 39.9 million (previous year: € 48.5 million) and in EBT by € 11.3 million or 27.6% to € 29.7 million (previous year: € 41.0 million) results in a € 9.8 million or 28.7% decline in net consolidated profit to € 24.3 million (previous year: € 34.1 million).

Non-controlling interests in profit declined compared with the same period last year by € 0.3 million or 33.3% to € 0.6 million.

The interest of RHÖN-KLINIKUM AG shareholders in profit for the first three months of financial year 2013 stood at € 23.7 million, which translates into a decline of € 9.5 million or 28.6% compared with the same period last year. The interest in profit of the shareholders corresponds to earnings per share of € 0.17 (previous year: € 0.24) in accordance with IAS 33.

Investment and financing

In the first three months of the current financial year, the Group invested a total of € 23.6 million (previous year: € 47.0 million) in intangible assets, property, plant and equipment as well as in investment property. This total of gross investments includes grants under the Hospital Financing Act (KHG) amounting to € 4.0 million (previous year: € 4.8 million) reflected as a deduction from acquisition cost. Of the remaining € 19.6 million in net investments (previous year: € 42.2 million), € 19.5 million (previous year: € 34.9 million) is attributable to current investments financed from own funds and € 0.1 million (previous year: € 7.3 million) is attributable to practice values.

For these investments an operating cash flow – calculated from net consolidated profit of the first three months of 2013 plus depreciation/amortisation and other non-operating items (balance of gains and losses from disposals of assets, income from the market valuation of derivatives) – of € 59.5 million (previous year: € 66.0 million) was available.

Since the last reporting date our net financial debt rose from € 801.6 million to € 808.4 million, and our equity capital increased since the last reporting date from € 1,607.5 million to € 1,634.7 million.

Compared with the balance sheet date of 31 December 2012, the increase in equity capital by € 27.2 million stems from net consolidated profit for the first three months of financial year 2013 (€ 24.3 million) as well as from the recognition of positive changes in the market values of financial derivatives designated as interest-rate hedging instruments (€ 3.5 million), which compare with actuarial losses resulting from pension commitments recognised for the first time in equity (€ 0.6 million).

The equity capital ratio rose slightly compared with the reporting date of 31 December 2012 from 50.5% to 51.3%.

Our non-current assets are financed fully, at notionally 103.3% (31 December 2012: 102.8%), at matching maturities by equity capital and non-current debt. Moreover, our current assets are covered by € 77.2 million of non-current equity and debt items.

Economic and legal environment

After the outlook for the further trend in the German economy recovered in the months from November 2012 to February 2013, it was once again subdued towards the end of the first quarter of 2013. The current business climate index for the month of March 2013 surprisingly declined against expectations. Heading into 2013, the aggregate German economy lagged behind the expectations of the Deutsche Bundesbank. The beginning of 2013 is witnessing flagging demand for industrial goods in the area of mechanical engineering and a slump in demand in the automobile industry, particularly from third countries.

The economic outlook for the euro zone continues to be on a downward trend given its risks that have flared up again following the elections in Italy. Leading economic institutes expect gross domestic product within the euro zone to see a further slight decline. The recession in six euro countries including Italy and Spain, as well as the tense situation in the remaining countries continued to present a big downside risk for the economic situation. The institutes state that the continuing debt and confidence crisis within the euro zone essentially remained unresolved. A sustained stabilisation would be possible only if the countries actually succeeded in implementing the planned reform.

The German employment market is not reflecting the trend in the economy. It remains stable during the first quarter of 2013 and the unemployment rate is almost unchanged. The consumer price index as determined by the Federal Statistical Office stands at 1.4% in Germany for March compared with the previous year – mainly due to the only moderate rise in energy costs compared with the previous year.

The statutory health insurance funds and the Central Health Fund recorded a surplus of € 8.5 billion in 2012. Of this, the health insurance funds accounted for € 5.0 billion and the Central Health Fund accounted for € 3.5 billion. In 2012, expenditure by the health insurance funds lagged well behind the original estimates. According to the Deutsche Bundesbank, it is this overshooting of the estimate in expenditures that is very largely responsible for the high surpluses of the health insurance funds.

For 2013, on account of changes in demographics, we expect to see moderately rising trend in the demand for hospital services that will further gather pace in the coming years. As of 2013, the statutory remuneration provisions will replace the rate of change in aggregate income according to the German Social Insurance Code V (Sozialgesetzbuch V, SGB V), which has hitherto been crucial for the trend in hospital budgets, by a pro rated orientation value. The orientation value as calculated by the Federal Statistical Office in the autumn of 2012 is 2.0% in 2013 and is below the rate of change of 2.03% announced by the German Federal Health Ministry. According to the statutory requirements, the official orientation value applies as a cap on price increases. Consequently, the state base rates will again rise only moderately in 2013. That means that the discrepancy between the trend in revenues and costs will continue in 2013. Coming on top of that are discounts on surplus service volumes of 25%.

The programme adopted by the German government in early April 2013 to reduce the financial burden on hospitals will reveal only after the precise details have been made known whether this will have only a partial impact or is adequate structurally and overall. After that it will also be clear what impact it will have on our Group.

The trend over the past years within the hospital sector of an ever widening gap between revenues and costs is having an impact on the operating side. As a result, the trend of selective amongst service providers will continue and intensify. In our view, the economic pressure this puts on market participants will call for a targeted expansion of the service portfolio and the simultaneous exploiting of cost advantages. The primary concern in this regard is making the transition from being a traditionally decentrally oriented hospital operator to becoming an integrated healthcare group with close-knit, efficient and cross-facility operative service structures. Only those hospitals that are able to continually and effectively meet the regulatory and market challenges within the healthcare system will be able to exist in the market on a sustained and independent basis.

We lay claim to our ability to operate hospitals very efficiently and successfully and to bring about the quick and sound integration of newly acquired facilities within our Group. This also means reviewing and optimising our processes and strategies. We have identified some operative weaknesses that we will consistently address and resolve. The basis of operative implementation in this regard is provided by a systematic, Group-wide optimisation programme which is currently being launched and which on the one hand draws on our traditional strengths and on the other invigorates our practised business model with fresh impetus.

For the coming years, we see ourselves in an excellent position to realise our goal of establishing a national healthcare offering through networked medicine with a view to ensuring high-quality medical care for everyone.

CORPORATE GOVERNANCE

Corporate constitution

In the first quarter of 2013, the composition of our Board of Management and Supervisory Board has remained unchanged since the 2012 Annual Report. With effect from 1 January 2013, Dr. Dr. Martin Siebert was appointed as chairman of the Board of Management. The allocation of responsibilities within the Board of Management was adjusted accordingly.

The notifications pursuant to section 21 et seq. of the Securities Trading Act (Wertpapierhandelsgesetz, WpHG) that we received in the first quarter of 2013 are presented in the Notes to this Financial Report. We refer to our homepage for a detailed list of the notifications.

The notifications of transactions pursuant to section 15a of the WpHG by members of the Board of Management or the Supervisory Board (directors' dealings) as well as other notifications of transactions by executives pursuant to section 15a of the WpHG are also presented in the Notes to this Interim Report.

All other elements of our corporate constitution have remained unchanged in financial year 2013 to date. In this regard we refer to our explanations provided in the Management Report of the Consolidated Financial Statements of financial year 2012.

RISKS AND OPPORTUNITIES

In the hospital sector, business prospects and existing risks are typically characterised by long-term cycles. Short-term changes in the market environment are still usually the exception. As a general rule, the development in service volumes is very stable compared with other sectors and very largely defined by the underlying demographic trend of our greying society as well as by the potential to be reaped from advances in medical technology. For this reason, fluctuating economic trends as a rule have almost no perceptible impact on the trend in demand for hospital services.

With regard to the trend in prices, the hospital sector is characterised by its regulated remuneration system. For several years, this is what has been giving rise to the widening gap between revenues and costs that has been affecting the operating side and is exerting higher external economic pressures on all market participants. We are feeling this as well. Based on the statutory provisions, expansions in service volumes are remunerated at price discounts of up to 65% in some cases. On the other hand, we most recently had repeatedly recorded sharp price rises both in the area of personnel and material expenditures that significantly outstripped the trend in remuneration.

We are using all available means to raise efficiency by continuously reviewing and improving our processes. The Company is on a sound footing. Many good ideas and conceptual approaches are there, but have not yet been fully exploited. In this context, raising our earnings strength is not an end in itself but helps our company to hold its own and compete on the market with its high qualitative standards in healthcare delivery. To this end we take advantage of all opportunities available to us, such as acquisitions, expansions in service volumes, restructuring and thus counteract the potential risks with a practised and functioning risk management system at our hospitals, MVZs and service companies.

During the past financial year, we were the successful bidder in the bidding procedure for HSK, Dr. Horst Schmidt Kliniken GmbH, Wiesbaden, for the sale of a 49 per cent share in the facility. Since the second quarter of 2012 we include HSK-Gruppe in our consolidated financial statements and are steadfastly implementing the potential arising for us. Thanks to our integration expertise, we have initiated the first steps towards more growth and efficiency.

For Gießen and Marburg University Hospital, the restructuring plan of a renowned corporate consultancy was adopted in financial year 2012. The consensus-based approach provides for the immediate implementation of a raft of measures, showing a clear perspective for management restructuring. Moreover, in January of this year we agreed a joint future concept for Universitätsklinikum Gießen und Marburg GmbH (UKGM) with the Hesse State Government and the two universities in Gießen and Marburg. For UKGM this opens up new prospects that are to be implemented in the form of specific measures.

After a thoroughgoing analysis, we will continue also in future to specifically exploit opportunities for further acquisitions as they arise with a view to expanding and broadening our Group.

Beyond that, there have been no significant changes in risks and rewards since the reporting date of 31 December 2012. As before, we do not see any risks posing a threat to the Company's existence, neither for the individual subsidiaries nor for the Group.

CONSOLIDATED TREND

Sites and capacities

	Hospitals	Beds
As at 31 December 2012	**54**	**17,089**
Change in capacities	-	15
As at 31 March 2013	**54**	**17,104**

In the first quarter of 2013 there were no changes in the scope of consolidation compared with the last balance sheet date. As at 31 March 2013 we have a total of 54 consolidated hospitals with 17,104 beds/ places at a total of 43 sites in ten federal states. Since 31 December 2012, we witnessed only a moderate net change in the number of approved beds (15) at our acute inpatient capacities in line with the requirement budgets in the individual federal states.

As at 31 March 2013, we operate 41 MVZs with a total of 199.0 specialist physician practices:

	Date	MVZs	Specialist physician practices
As at 31 December 2012		**41**	**199.5**
Extensions			
Various sites		-	1.5
Disposals			
MVZ Uelzen	31 March 2013	-	-2.0
As at 31 March 2013		**41**	**199.0**

In the first three months of 2013 we reduced our existing MVZs on average by 0.5 specialist doctor's practices.

Patients

January through March	2013	2012	Change absolute	%
Inpatient and day-case treatments,				
acute hospitals	192,275	175,796	16,479	9.4
rehabilitation hospitals and other facilities	2,832	2,831	1	0.0
	195,107	178,627	16,480	9.2
Outpatient attendances at our				
acute hospitals	300,054	269,625	30,429	11.3
MVZs	175,516	161,644	13,872	8.6
	475,570	431,269	44,301	10.3
Total	**670,677**	**609,896**	**60,781**	**10.0**

In the first three months a total of 670,677 patients (up by +60,781 patients, +10.0%) were treated in the Group's hospitals and MVZs. Of this increase, outpatient treatments account for roughly 73%.

After deducting consolidation and acquisition effects, this translates into organic growth in patients by a total of 8,137 patients or 1.3%.

Per-case revenues

January through March	2013	2012
Case revenue		
inpatient (€)	3,612	3,582
outpatient (€)	100	99

Compared with the first three months of the previous year, average per-case revenues rose by € 30 or 0.8% in the inpatient area. This reflects the trend in prices as well as the trend in case severity and discounts on surplus service volumes.

In the outpatient area, average per-case revenues rose by € 1 or about 1.0%. Here, the strengthening and expansion of our outpatient structures with our MVZs had a positive impact.

Employees

Employees	31 March 2013	31 Dec. 2012	Change absolute	%
Hospitals	37,425	37,725	-300	-0.8
MVZs	985	1,005	-20	-2.0
Service companies	4,305	4,329	-24	-0.6
Total	**42,715**	**43,059**	**-344**	**-0.8**

On 31 March 2013, the Group employed 42,715 persons (31 December 2012: 43,059).

BUSINESS DEVELOPMENT

During the past financial year, and particularly in the second half, RHÖN-KLINIKUM Group witnessed a slight weakening in the growth of case numbers compared with the high growth rates of previous years. This trend is also continuing in part in the first two months of the first quarter of 2013. That said, we see a clearly upward trend through the month of March 2013. The causes of this are complex and, firstly, are attributable to growth rates returning to normal levels following the one-off effects from the recent opening of new hospital buildings. Secondly, it has become much more difficult to achieve significant growth rates over and above the market level in an environment in which almost all providers are looking to expand their service volumes.

Also having an impact on the operating side is the ever widening gap between revenues and costs seen within the hospital sector for several years. However, we as RHÖN-KLINIKUM AG are used to developing and implementing effective strategies to meet the ongoing regulatory and market challenges within the healthcare system and will redouble our efforts in this area with renewed impetus during financial year 2013.

The increase in our patient numbers is firstly owing to organic growth in the first quarter and secondly attributable to the successful acquisition of the Wiesbaden-based Dr. Horst Schmidt Kliniken (HSK) in 2012.

Since May 2012 we have made a fair amount of progress with integrating HSK, but with this project, too, there is no guarantee of automatic success. The challenges for our Group and the staff are considerable because the initial situation is by no means easy. In this initial phase, the pronounced initial loss situation is putting an additional squeeze on our consolidated result in the first quarter. Overall, our integration process is on track. We therefore expect our efforts to start paying off in 2013 and to make a first positive operative contribution to the Company's overall success.

In addition to that, the process of investment and operative modernisation and integration is continuing in full swing, also at our facilities that have belonged to the Group for somewhat longer but have not yet reached their full potential.

The hospital sector has been witnessing relatively high wage increases in the recent past which for our facilities are at the upper end of our expectations on average. This development, coupled with the steady deterioration in prices caused by revenue discounts on volume increases, is having a double impact on operating margins.

Revenues and earnings

January through March	2013 €m	2012 €m	Change €m	Change %
income				
Revenues	752.2	682.3	69.9	10.2
Other income	51.9	48.3	3.6	7.5
Total	**804.1**	**730.6**	**73.5**	**10.1**
Expenditure				
Materials and consumables used	195.3	178.0	17.3	9.7
Employee benefits expense	459.7	408.4	51.3	12.6
Other expenditure	74.2	62.4	11.8	18.9
Total	**729.2**	**648.8**	**80.4**	**12.4**
EBITDA	**74.9**	**81.8**	**-6.9**	**-8.4**
Depreciation	35.0	33.3	1.7	5.1
EBIT	**39.9**	**48.5**	**-8.6**	**-17.7**
Financial result	10.2	7.5	2.7	36.0
EBT	**29.7**	**41.0**	**-11.3**	**-27.6**
Income taxes	5.4	6.9	-1.5	-21.7
Net consolidated profit	**24.3**	**34.1**	**-9.8**	**-28.7**

Compared with the same period last year, revenues grew by € 69.9 million or 10.2%. Adjusting for changes in the scope of consolidation (first-time consolidation of HSK-Gruppe as of 1 May 2012, MVZ Campus Gifhorn GmbH as of 1 July 2012) to the tune of € 58.0 million this translates – with organic growth in patient numbers of 1.3% – into organic growth in revenues of € 11.9 million or 1.7%.

Compared with the same period last year, the "Other income" item witnessed a rise of € 3.6 million or 7.5% to reach € 51.9 million. Of this increase, HSK-Gruppe consolidated for the first time since 1 May 2012 accounts for € 3.5 million.

January through March	2013 %	2012 %
EBITDA margin	10.0	12.0
EBIT margin	5.3	7.1
EBT margin	4.0	6.0
Return on revenue	3.2	5.0
Return on equity	6.0	8.5

When assessing hospital ratios and margins for period-based and inter-operation comparisons, it generally has to be kept in mind that hospitals are allocated an annual budget for their annual service volumes. Since the annual service volume is known only after the end of the financial year and the annual budget only after conclusion of the remuneration agreement, revenues generated during the year are quantified on the basis of realistic estimates. These can easily reduce the representativeness of interim time-based comparisons. From the negotiations with payers, we expect additional positive backlog effects in the further course of the financial year.

January through March	2013 %	2012 %
Cost of materials ratio	26.0	26.1
Personnel cost ratio	61.1	59.9
Other cost ratio	9.9	9.1
Depreciation and amortisation ratio	4.7	4.9
Financial result ratio	1.3	1.1
Tax expenditure ratio	0.7	1.0

Compared with the same period last year, the cost of materials rose by € 17.3 million or

9.7%, thus showing a slightly moderately disproportionate trend to that of revenues. The cost-of-materials ratio edged downwards from 26.1% to 26.0%. Disregarding consolidation effects, the increase in material expenditure (€ 0.7 million or 0.4%) was disproportionately moderate compared with the increase in (likewise adjusted) revenues (€ 11.9 million or 1.7%).

Material expenditure includes services purchased from locum staff, which only in some cases compensate original personnel expenditures. Adjusted for the effect of locum doctors, the material cost ratio edged up slightly from 24.6% to 24.7%.

Personnel expenses saw a rise of € 51.3 million or 12.6% compared with the first quarter of 2012. At the long-standing subsidiaries, the rise was € 12.5 million or 3.1%. This development is attributable to the relatively high wage deals agreed of late at facilities of RHÖN-KLINIKUM AG – despite restructuring successes achieved throughout the Group.

In other expenditures, we report a disproportionate increase by € 11.8 million or 18.9%. Of this increase, € 7.5 million is accounted for by subsidiaries consolidated for the first time and € 4.3 million is accounted for by our long-standing subsidiaries.

The increase in depreciation/amortisation compared with the same period last year by € 1.7 million or 5.1% is accounted for almost entirely, at € 1.3 million, by first-time consolidated HSK-Gruppe.

Compared with the same period last year, we recorded a rise in our negative financial result by € 2.7 million or 36.0% to € 10.2 million in the first three months of financial year 2013. The rise essentially stems from the increase in net debt to banks due, among other things, to the acquisition of HSK-Gruppe. Capital market interest rates, which continued to be in decline, also negatively impacted our investment portfolio.

As at 31 March 2013, net debt to banks – including finance lease liabilities – was € 808.4 million (31 December 2012: € 801.6 million) and breaks down as follows:

	31 March 2013 €m	31 December 2012 €m
Cash	198.3	237.0
Current financial liabilities	265.1	267.0
Non-current financial liabilities	734.0	767.7
Finance lease liabilities	40.8	41.2
Financial liabilities	1,039.9	1,075.9
Subtotal	841.6	838.9
Negative market value of derivatives (current)	-1.3	-3.0
Negative market value of derivatives (non-current)	-31.9	-34.3
Net financial debt	**808.4**	**801.6**

At an unchanged rate of taxation, the income tax expense item declined by € 1.5 million or 21.7% to € 5.4 million (previous year: € 6.9 million) compared with same period of the previous year, essentially as a result of a lower tax assessment basis.

Compared with the same period last year, net consolidated profit of the first three months declined by € 9.8 million or 28.7% to € 24.3 million (previous year € 34.1 million).

Non-controlling interests in profit declined compared with the same period last year by € 0.3 million or 33.3% to € 0.6 million.

The interest of RHÖN-KLINIKUM AG shareholders in profit for the first three months of 2013 declined by € 9.5 million or 28.6% to € 23.7 million compared with the same period last year. This translates into earnings per share of € 0.17 (previous year: € 0.24) in accordance with IAS 33.

In the first three months of the 2013, the sum of net consolidated profit and net earnings directly recognised at equity amounted to € 27.2 million (previous year: € 33.8 million). Whereas in the previous year, negative changes in the market values of our financial instruments of € 0.4 million (after tax) were recognised directly at equity, positive changes in market values to the tune of € 3.5 million (after tax) also had to be recognised directly at equity in the first three months of the current financial year. Moreover, in the first quarter of 2013 actuarial losses amounting to € 0.6 million (after tax) were recognised directly at equity for the first time.

Asset and capital structure

	31 March 2013		31 December 2012	
	€m	%	€m	%
ASSETS				
Non-current assets	2,365.1	74.3	2,381.5	74.8
Current assets	819.9	25.7	802.9	25.2
	3,185.0	**100.0**	**3,184.4**	**100.0**
SHAREHOLDERS' EQUITY AND LIABILITIES				
Shareholders' equity	1,634.7	51.3	1,607.5	50.5
Long-term loan capital	807.6	25.4	841.1	26.4
Short-term loan capital	742.7	23.3	735.8	23.1
	3,185.0	**100.0**	**3,184.4**	**100.0**

Due to various factors, including depreciation and disposals of assets, our non-current assets declined by € 16.4 million or 0.7%. The rise in current assets by € 17.0 million or 2.1% is essentially attributable to the increase in invoiced services.

We financed our investments of € 19.6 million fully from own funds out of operating cash flow of the first three months in the amount of € 59.5 million.

The equity capital ratio saw a slight rise compared with the last reporting date, from 50.5% to 51.3%.

The following table shows the change in equity as at the last reporting date:

Shareholders' equity	2013			2012
	Shareholders	Non-controlling interests	Total	Total
	€m	€m	€m	€m
As at 1 January	**1,581.9**	**25.6**	**1,607.5**	**1,598.7**
Equity capital transactions with owners	-	0.0	0.0	0.0
Total result of the period	26.6	0.6	27.2	33.7
Other changes			0.0	0.0
As at 31 March	**1,608.5**	**26.2**	**1,634.7**	**1,632.4**

As at 31 March 2013, equity stands at € 1,634.7 million (31 December 2012: € 1,607.5 million). The increase in equity capital by € 27.2 million stems from net consolidated profit for the first three months of financial year 2013 (€ 24.3 million) as well as from the recognition of positive changes in the market values of financial derivatives designated as interest-rate hedging instruments (€ 3.5 million), which compare with actuarial losses resulting from pension commitments recognised for the first time in equity (€ 0.6 million).

103.3% (31 December 2012: 102.8%) of non-current assets is nominally covered by equity and non-current liabilities at fully matching maturities. Net financial debt rose slightly since the last reporting date from € 801.6 million by € 6.8 million to € 808.4 million as at 31 March 2013.

Our key financial ratios developed as follows:

	31 March 2013	31 Dec. 2012
Net financial liabilities in €m at reporting date (incl. finance lease liabilities)	808.4	801.6
EBITDA (€ m)	284.6 *	291.5 **
Net interest expenditure in €m (excluding mark-up/discount of financial instruments)	39.3 *	36.7 **
Net financial debt/EBITDA	2.84	2.75
EBITDA/net interest expenditure	7.24	7.94

*) Period from 1 April 2012 - 31 March 2013
**) Period from 1 January 2012 - 31 December 2012

Compared with the same period last year, operating cash flow, calculated from net consolidated profit plus depreciation/ amortisation and deducting other non-operating items (balance of profits and losses from disposals of assets, income from the market valuation of derivatives), declined by € 6.5 million or 9.8% to € 59.5 million (previous year: € 66.0 million).

The origin and appropriation of our liquidity are shown in the following overview:

January through March	2013 €m	2012 €m
Cash generated (+) / utilised (-) by operating activities	1.6	-47.8
Cash used in investing activities	-21.1	-34.9
Cash used in financing activities	-28.2	-31.3
Change in cash and cash equivalents	**-47.7**	**-114.0**
Cash and cash equivalents at 1 January	219.9	439.9
Cash and cash equivalents as at 31 March	**172.2**	**325.9**

Investing activities

Aggregate investments of € 23.6 million (previous year: € 47.0 million) in the first three months of financial year 2013 are shown in the following table:

	Use of		
	Gov't grants €m	Own funds €m	Total €m
Current capital expenditur	4.0	19.5	23.5
Takeovers	0.0	0.1	0.1
Total	**4.0**	**19.6**	**23.6**

Of these investments made in the first three months, € 4.0 million was attributable to investments funded from grants under the Hospital Financing Act (KHG) (previous year: € 4.8 million) and deducted from total investments pursuant to the relevant provisions of IFRS.

An analysis of current investments financed from company funds by site is given below:

	€m
Gießen-Marburg	3.3
Munich	2.8
Warburg	2.3
Nordenham	2.1
Pforzheim	2.0
Other sites	7.0
Total	**19.5**

Under company purchase agreements entered into we still have outstanding investment obligations of € 151.0 million until 2022.

Outlook and forecast for 2013

No material events occurred after 31 March 2013 up to the preparation of this Report.

As in the past, the main thrust driving the development of RHÖN-KLINIKUM AG will come, in addition to our organic growth, from our acquisition successes. In future we will be particularly circumspect and careful in that regard not to give in to the temptation of generating growth at any price. The key data of a transaction must be in line with our internal valuation principles, with the decision being governed by the criteria of future security and the integration prospects. We are still involved in several transaction procedures for inpatient and outpatient facilities which cannot be reported on publicly at the current stage. In reaching our decisions for takeovers and equity investments, we are guided chiefly by a facility's strategic importance, its earnings prospects as well as the general scope for development within its region and our Group.

Independent of this, a positive prospect for the earnings situation is emerging as a result of regulatory changes, such as the partial wage compensation adopted in 2012 for financial year 2012 and the current cabinet resolution. Given the usual seasonal nature of individual hospital budget negotiations, backlog effects from the negotiations on budgets and discounts for surplus service volumes are possible in further quarters of 2013.

It remains our highest principle to offer everyone affordable medical care meeting the highest standards. In order to achieve and secure this, we will work even harder than in the past to motivate our employees. It is only thanks to them that we are able to ensure the satisfaction of our patients and the success of RHÖN-KLINIKUM AG. After taking a new look at the business model, we have identified some operative weaknesses that we will consistently address and resolve. Here we are currently developing a systematic, Group-wide optimisation programme which on the one hand draws on our traditional strengths and on the other further enhances our business model with fresh impetus. The concern here is to take the necessary step from being a traditionally decentrally oriented hospital operator to becoming an integrated healthcare group with close-knit, efficient and cross-facility operative service structures.

Against this background we expect for the year 2013, barring any further acquisitions, to generate revenues of € 3.03 billion – which may fluctuate within a range of plus or minus 2.5% – an operating result (EBITDA) of € 325 million and net consolidated profit of € 110 million. As in the previous year we see the possibility, given the potential risks and opportunities, of EBITDA and net consolidated profit fluctuating within a range of plus or minus 5% with reference to our initial figure.

Bad Neustadt a. d. Saale, 25 April 2013

RHÖN-KLINIKUM Aktiengesellschaft

THE BOARD OF MANAGEMENT

Volker Feldkamp	Martin Menger	Jens-Peter Neumann	Dr. Dr. Martin Siebert

CONSOLIDATED ABRIDGED INTERIM FINANCIAL STATEMENT

Consolidated Income Statement and Consolidated Statement of Comprehensive Income, January through March

January through March	2013		2012	
	€ '000	%	€ '000	%
Revenues	752,184	100.0	682,271	100.0
Other income	51,882	6.9	48,321	7.1
	804,066	**106.9**	**730,592**	**107.1**
Materials and consumables used	195,260	26.0	177,999	26.1
Employee benefits expense	459,695	61.1	408,369	59.9
Other expenses	74,252	9.9	62,429	9.1
	729,207	**96.9**	**648,797**	**95.1**
Interim result				
(EBITDA)	**74,859**	**10.0**	**81,795**	**12.0**
Depreciation/amortisation and impairment	34,998	4.7	33,249	4.9
Operating result (EBIT)	**39,861**	**5.3**	**48,546**	**7.1**
Finance expenses	10,553	1.4	9,860	1.4
Finance income	411	0.1	2,324	0.3
Financial result	**10,142**	**1.3**	**7,536**	**1.1**
Earnings before tax (EBT)	**29,719**	**4.0**	**41,010**	**6.0**
Income taxes	5,468	0.7	6,888	1.0
Net consolidated profit	**24,251**	**3.2**	**34,122**	**5.0**
of which				
non-controlling interests	**599**	**0.1**	**939**	**0.1**
shareholders of RHÖN-KLINIKUM AG	**23,652**	**3.1**	**33,183**	**4.9**
Earnings per share in €				
undiluted	**0.17**		**0.24**	
diluted	**0.17**		**0.24**	

January through March	2013	2012
	€ '000	€ '000
Net consolidated profit	**24,251**	**34,122**
of which		
non-controlling interests	599	939
shareholders of RHÖN-KLINIKUM AG	23,652	33,183
Change in fair value of derivatives used for hedging purposes	4,189	-427
Income taxes	-663	68
Change in the amount recognised at equity		
(cash flow hedges)	**3,526**	**-359**
Change in actuarial gains/losses		
from defined benefit and defined contribution pension commitments	-702	0
Income taxes	111	0
Change in amount recognised in equity (actuarial gains/losses)	**-591**	**0**
Sum of net gains or losses directly recognised in equity	**2,935**	**-359**
of which		
non-controlling interests	-4	0
shareholders of RHÖN-KLINIKUM AG	2,939	-359
Net consolidated profit and net gains or losses directly recognised in equity	**27,186**	**33,763**
of which		
non-controlling interests	595	939
shareholders of RHÖN-KLINIKUM AG	26,591	32,824

Consolidated Balance Sheet at 31 March 2013

	31 March 2013		31 December 2012	
	€ '000	%	€ '000	%
ASSETS				
Non-current assets				
Goodwill and other intangible assets	428,964	13.5	431,041	13.5
Property, plant and equipment	1,905,728	59.8	1,919,694	60.3
Investment property	4,379	0.1	4,434	0.1
Income tax receivables	9,577	0.3	9,480	0.3
Deferred tax assets	2,818	0.1	3,161	0.1
Other financial assets	11,342	0.4	11,305	0.4
Other assets	2,332	0.1	2,363	0.1
	2,365,140	**74.3**	**2,381,478**	**74.8**
Current assets				
Inventories	54,652	1.7	56,907	1.8
Accounts receivable	472,250	14.8	439,408	13.8
Other financial assets	44,542	1.4	49,252	1.5
Other assets	21,699	0.7	13,504	0.4
Current income taxes receivable	28,444	0.9	6,815	0.2
Cash and cash equivalents	198,269	6.2	237,025	7.5
	819,856	**25.7**	**802,911**	**25.2**
	3,184,996	**100.0**	**3,184,389**	**100.0**

	31 March 2013		31 December 2012	
	€ '000	%	€ '000	%
SHAREHOLDERS' EQUITY AND LIABILITIES				
Shareholders' equity				
Subscribed capital	345,580	10.9	345,580	10.9
Capital reserve	395,994	12.4	395,994	12.4
Other reserves	866,989	27.2	840,398	26.4
Treasury shares	-76	0.0	-76	0.0
Equity attributable to shareholders of RHÖN-KLINIKUM AG	1,608,487	50.5	1,581,896	49.7
Non-controlling interests in equity	26,217	0.8	25,560	0.8
	1,634,704	**51.3**	**1,607,456**	**50.5**
Non-current liabilities				
Financial liabilities	733,961	23.0	767,697	24.0
Provisions for post-employment benefits	6,187	0.2	5,465	0.2
Other financial liabilities	65,821	2.1	65,870	2.1
Other liabilities	1,642	0.1	2,130	0.1
	807,611	**25.4**	**841,162**	**26.4**
Current liabilities				
Financial liabilities	265,117	8.3	266,976	8.4
Accounts payable	126,076	4.0	137,312	4.3
Current income tax liabilities	6,896	0.2	7,026	0.2
Other provisions	25,703	0.8	25,389	0.8
Other financial liabilities	101,517	3.2	113,101	3.6
Other liabilities	217,372	6.8	185,967	5.8
	742,681	**23.3**	**735,771**	**23.1**
	3,184,996	**100.0**	**3,184,389**	**100.0**

Consolidated Changes in Equity

	Subscribed capital	Capital reserve	Retained earnings	Treasury shares	Other cumulative income (OCI) Cash flow hedges	Pension commitments	Total	Equity attributable to shareholders of RHÖN-KLINIKUM AG	Non-controlling interests in equity [1)]	Shareholders' equity
	€ '000	€ '000	€ '000	€ '000	€ '000	€ '000	€ '000	€ '000	€ '000	€ '000
Balance at 31 Dec. 2011/1 Jan. 2012	**345.580**	**395.994**	**843.733**	**-76**	**-30.250**	**0**	**-30.250**	**1.554.981**	**43.677**	**1.598.658**
Equity capital transactions with owners										
Capital contributions	-	-	-	-	-	-	-	-	12	12
Net consolidated profit and net gains or losses directly recognised in equity	-	-	33.183	-	-359	0	**-359**	32.824	939	33.763
Issue of treasury shares	-	-	-	-				0	-	0
Balance at 31 March 2012	**345.580**	**395.994**	**876.916**	**-76**	**-30.609**	**0**	**-30.609**	**1.587.805**	**44.628**	**1.632.433**
Balance at 31 Dec. 2012/1 Jan. 2013	**345.580**	**395.994**	**871.305**	**-76**	**-30.907**	**0**	**-30.907**	**1.581.896**	**25.560**	**1.607.456**
Equity capital transactions with owners										
Capital contributions	-	-	-	-	-	-	-	-	62	62
Net consolidated profit and net gains or losses directly recognised in equity	-	-	23.652	-	3.526	-587	**2.939**	26.591	595	27.186
Balance at 31 March 2013	**345.580**	**395.994**	**894.957**	**-76**	**-27.381**	**-587**	**-27.968**	**1.608.487**	**26.217**	**1.634.704**

[1] Including other comprehensive income (OCI).

Consolidated Cash Flow Statement

January through March	2013 €m	2012 €m
Earnings before taxes	29.7	41.0
Financial result (net)	10.2	7.5
Impairment and gains/losses on disposal of assets	35.2	31.8
Non-cash valuations of financial derivatives	0.0	0.0
	75.1	**80.3**
Change in net current assets		
Change in inventories	2.3	2.3
Change in accounts receivable	-32.9	-29.7
Change in other financial assets and other assets	-3.4	-11.2
Change in accounts payable	-8.8	-13.0
Change in other net liabilities/ Other non-cash transactions	19.3	24.9
Change in provisions	0.3	-3.1
Income taxes paid	-27.6	-76.0
Interest paid	-22.7	-22.3
Cash generated from operating activities	**1.6**	**-47.8**
Investments in property, plant and equipment and in intangible assets	-25.9	-41.9
Government grants received to finance investments in property, plant and equipment and in intangible assets	4.0	4.8
Acquisition of subsidiaries, net of cash acquired	-0.1	-3.0
Sale proceeds from disposal of assets	0.5	2.9
Interest received	0.4	2.3
Cash used in investing activities	**-21.1**	**-34.9**
Payments on contracting of non-current financial liabilities	23.7	0.0
Repayment of financial liabilities	-52.0	-31.3
Contributions from non-controlling interests in equity/payments to non-controlling interests in equity	0.1	0.0
Cash used in financing activities	**-28.2**	**-31.3**
Change in cash and cash equivalents	-47.7	-114.0
Cash and cash equivalents at 1 January	219.9	439.9
Cash and cash equivalents as at 31 March	**172.2**	**325.9**

Abridged Notes

GENERAL INFORMATION

RHÖN-KLINIKUM AG is steadily undergoing a development from hospital operator to healthcare provider. As in the past, the focus of all its activities continues to be on building, acquiring and operating hospitals of all categories, primarily in acute care. At some sites rehabilitation measures are also offered to round off the offerings in the area of acute inpatient care. Outpatient structures in the form of medical care centres (MVZs) as well as co-operation schemes with community-based practitioners are being continually expanded. We provide our services exclusively in Germany.

The Company is a stock corporation established under German law and has been listed on the stock market (MDAX®) since 1989. The registered office of the Company is in Bad Neustadt a. d. Saale, Salzburger Leite 1, Germany.

The Interim Consolidated Financial Statements will be published on 25 April 2013 on the homepage of RHÖN-KLINIKUM AG as well as with Deutsche Börse.

ACCOUNTING POLICIES

The Interim Consolidated Financial Statements of RHÖN-KLINIKUM AG as at 31 March 2013 have been prepared in accordance with the rules of IAS 34 in abridged form applying Section 315a of the German Commercial Code (Handelsgesetzbuch, HGB) and in accordance with the rules, effective at the reporting date and recognised by the European Union, of the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), London, as well as the interpretations of the International Financial Reporting Interpretations Committee (IFRIC). Furthermore, the provisions of the German accounting standard DRS 16 (interim financial reporting) were observed in the preparation of this Interim Report.

With the exception of the cases further described hereunder, the same accounting, valuation and calculation methods were applied as in the Consolidated Financial Statements for the financial year ending on 31 December 2012. The Interim Financial Statements of RHÖN-KLINIKUM AG as at 31 March 2013 for the first quarter of 2013 must therefore be read and assessed in conjunction with the Consolidated Financial Statements of RHÖN-KLINIKUM AG for the year ending 31 December 2012.

<u>a) New accounting rules in financial year 2013</u>

<u>New Standards and interpretations of no practical relevance in financial year 2013</u>

As far as can be seen at present, the following revised Standards which have already been adopted by the European Union are of no practical relevance for financial year 2013 as well as subsequent years:

- Amendment to IFRS 1 “First-time Adoption of International Financial Reporting Standards – Government Loans”

- IFRIC 20 “Stripping Costs in the Production Phase of a Surface Mine”
- Amendments to IFRS 10, IFRS 11 and IFRS 12 – transition guidance for investment entities
- Amendment to IAS 12 “Deferred Tax: Recovery of Underlying Assets”
- Amendments to IFRS 1 “Severe Hyperinflation and Removal of Fixed Dates”

New Standards and interpretations of practical relevance in financial year 2013

The following revised and/or newly published Standards already adopted by the European Union are observed and, in the event of their practical relevance, applied by RHÖN-KLINIKUM AG as of financial year 2013 and will be observed and applied in subsequent years as well:

- Amendment to IAS 1 “Presentation of Items of Other Comprehensive Income”

In June 2011 the IASB published an amendment to IAS 1 “Presentation of Financial Statements“ and adopted it on 5 June 2012. This concerns the presentation of items stated in other income under the statement of comprehensive income. Accordingly, the items of other comprehensive income (OCI) are to be grouped together on the basis of whether or not in future they will be reclassified to the profit or loss section of the income statement (referred to as recycling). Items that are “recycled” or, as the case may be, not “recycled” are to be presented separately. The amendment concerns only the presentation of the items in the comprehensive income statement, not the recognition, measurement of the items or requirements resulting from such recycling. The option of presenting the items before or after tax is maintained. In the case of presentation before tax, however, the related tax amount must be stated separately according to both categories. Moreover, the term ‘comprehensive income statement’ used in IAS 1 was changed to ‘income statement and other income’. The amended Standard is to be applied to financial years commencing on or after 1 July 2012. Earlier adoption is permitted. It affects presentation in the financial statement but not the net assets, financial position and results of operations. Adoption concerns all companies stating performance-linked components in their other result item.

- Amendments to IAS 19 “Employee Benefits”

In June 2011 the IASB published amendments to IAS 19 “Employee Benefits“ and adopted the same on 5 June 2012. The amendments relate to the recognition and measurement of expenditure for defined-benefit pension plans, termination benefits as well as disclosure obligations regarding employee benefits. The most significant amendment to IAS 19 is that actuarial gains and losses are renamed as remeasurements and have to be recognised directly in equity when they arise in other comprehensive income (OCI). The option between immediate recognition in profit or loss, in other comprehensive income (OCI) or a staggered recognition according to the corridor approach as hitherto permitted is eliminated. It is no longer permitted to “recycle” the “remeasurements” in other income. The interest rate for measurement of the pension expenditure is determined for the defined benefit net asset or, as the case may be, the defined benefit net liability. As the interest rate, the entity in question is required to use the yields on high quality corporate bonds if there is a market for these, otherwise to use the yields on government bonds. In the event of plan amendments resulting in changes in the obligation to pay benefits attributable to work performed in past periods, a past service cost is created. It is recognised in the period in which the underlying plan amendment takes place and is no longer distributed. This cost also includes gains and losses from plan curtailments. Benefits paid to employees which are still linked to the rendering of future work performance do not constitute termination benefits. IAS 19 requires comprehensive disclosures in the Notes in connection with defined benefit plans. In particular, an entity is required to make disclosures on the characteristics of the defined benefit plans, the amounts recognised in the financial statements, as well as the risks arising from the defined benefit plans and any impact they might have on the entity's cash flows. The amendments to IAS 19 are to be applied to financial years commencing on or after 1 January 2013. Earlier adoption is permitted. The revised Standard is to be adopted retroactively in accordance with IAS 8. Exceptions to this are changes in the carrying amount of assets in which employee benefits expenditure has been recognised, and comparison disclosures on the sensitivity analysis of the defined benefit obligation. Actuarial losses as at 1 January 2013 were recognised in 2013 directly in equity in the amount of € 0.6 million.

- Amendment to IFRS 7 "Disclosures - Offsetting Financial Assets and Financial Liabilities"

In December 2011 the IASB published amendments to IFRS 7 "Financial Instruments: Disclosures" with respect to offsetting financial assets and financial liabilities and adopted the same on 13 December 2012. It specifies further new disclosure obligations in connection with certain netting arrangements. The amendments to IFRS 7 require more comprehensive disclosures, in particular quantitative information on recognised financial instruments that were set off with one another on the balance sheet, as well as on financial instruments which, regardless of the actual set-off, are subject to netting arrangements. Disclosure of this information is required regardless of whether the netting arrangement has actually resulted in a set-off of the financial assets and liabilities concerned. Qualitative descriptions and quantitative information of offsetting rights must be disclosed. The amendments are to be applied to financial years commencing on or after 1 January 2013. RHÖN-KLINIKUM AG has examined the impact in terms of accounting policies. The amendment of the Standard is of no practical relevance for RHÖN-KLINIKUM AG.

- IFRS 13 "Fair Value Measurement"

In May 2011, the IASB published the Standard IFRS 13 "Fair Value Measurement" and adopted the same on 11 December 2012. IFRS 13 sets out uniform provisions on how fair value measurement is to be performed and expands and harmonises the disclosures on measurement at fair value provided that another Standard prescribes its application. By definition, fair value is the price that independent market participants would receive upon sale of an asset (or would pay upon transfer of a liability) at arm's length terms at the valuation date. A liability's fair value thus represents the risk of default. IFRS 13 does not contain any statements regarding the matters to which fair value is to be applied and merely excludes from application IAS 17, IFRS 2 as well as other measurement variables which are similar but not identical to fair value. The well-known three-tier fair value hierarchy based on the type of measurement parameters still has to be applied. Moreover, IFRS 13 requires comprehensive disclosures in the Notes which are similar to the rules of IFRS 7 "Financial Instruments: Disclosures" but apply to all assets and liabilities. IFRS 13 is to be applied for the first time to financial years commencing on or after 1 January 2013. Comparison figures prior to the first-time application of IFRS 13 are not to be adjusted. Earlier adoption is permitted. RHÖN-KLINIKUM AG has examined the precise impact in terms of accounting policies.

<u>The following revised Standards which have not yet been adopted by the European Union are of practical relevance from financial year 2013:</u>

- Amendments to IFRS 1 "First-time Adoption of International Financial Reporting Standards", IAS 1 "Presentation of Financial Statements", IAS 16 "Property, Plant and Equipment", IAS 32 "Financial Instruments: Presentation" as well as IAS 34 "Interim Financial Reporting" – amending Standard (Annual Improvement to IFRSs 2009-2011 Cycle)

In May 2012, the International Accounting Standards Board (IASB) published amendments of Standards as well as amendment proposals as part of its annual improvement project (AIP). On 17 May 2012 an amending Standard was published as part of the Fourth AIP Cycle 2009-2011 with a total of six amendments concerning the five Standards IFRS 1 "First-time Adoption of International Financial Reporting Standards", IAS 1 "Presentation of Financial Statements", IAS 16 "Property, Plant and Equipment", IAS 32 "Financial Instruments: Presentation" as well as IAS 34 "Interim Financial Reporting". The amendments to IFRS 1 relate firstly to the clarification of the repeated applicability of the Standard under certain circumstances, to the option of early and simultaneous applicability of IAS 23 on transition to IFRS as well as the obligation to adopt three balance sheets on first-time adoption of IFRS. The amendment to IAS 1 clarifies that disclosures regarding comparative information are mandatory for mandatory or voluntary preparation of a third balance sheet. The clarification of IAS 16 provides that replacement parts and servicing equipment meeting the definition criteria are to be attributed to property, plant and equipment. In the case of IAS 32, recognition of the tax consequences of dividend payments and transaction costs from the issue and/or repurchase of equity instruments was corrected. IAS 34 sets out provisions on the disclosure of segment assets and liabilities in the interim report. These amendments and clarifications are subject to mandatory adoption for financial years commencing on or after 1 January 2013. RHÖN-KLINIKUM AG has examined the impact in terms of accounting policies. The amendments are of no practical relevance for RHÖN-KLINIKUM AG.

<u>b) New accounting rules from financial year 2014</u>
<u>New Standards and interpretations of no practical relevance from financial year 2014</u>

The following revised standards which were already adopted by the European Union are of no practical relevance from financial year 2014:

- Amendments to IFRS 10, IFRS 12 and IAS 27 – exemption for investment entities

<u>New Standards and interpretations of practical relevance from financial year 2014</u>
The following revised Standard which was already adopted by the European Union is of practical relevance from financial year 2014:

- IFRS 10 “Consolidated Financial Statements”

In May 2011 the IASB, as part of a package of five new Standards, published IFRS 10 “Consolidated Financial Statements” and adopted the same on 11 December 2012. It is aimed at a uniform consolidation model and replaces the guidance contained in IAS 27 “Consolidated and Separate Financial Statements” and SIC-12 “Consolidation – Special-Purpose Entities” relating to control and consolidation. IFRS 10 changes the definition of control such that the same criteria now apply to all companies when determining a relationship of control. According to the changed definition, the prerequisites for control are power over the investee and variable economic results from the involvement with the investee. Power over the investee means the possibility of currently directing to a decisive extent the activities of the investee that have a material influence on variable returns. Such power is to be determined based on the current facts and circumstances and assessed on a continuous basis. In this regard, economic results may be positive, negative or both. A temporary investment relationship does not release a company from its consolidation duty. The application guidance of IFRS 10 provides examples which also show that control may also exist where fewer than 50% of voting rights are held. What is decisive for the question of whether or not actual control exists is the principle of de facto control. The principle of presenting the consolidated financial statements of the parent company and its subsidiaries as a single company as well as the consolidation methods remain unchanged. IFRS 10 is to be applied to financial years commencing on or after 1 January 2014. Early adoption is possible only in conjunction with early adoption of the Standards IFRS 11 and IFRS 12 and of the new provisions regarding IAS 27 and IAS 28 as well as by disclosure in the Notes. No serious impacts on the accounting of companies are expected within the Group of RHÖN-KLINIKUM AG.

- IFRS 11 “Joint Arrangements”.

As a further part of the package of five new Standards, IASB published IFRS 11 “Joint Arrangements” in May 2011 and adopted the same on 11 December 2012. IFRS 11 defines a joint arrangement as an arrangement in which two or more parties have joint control over such arrangement by contract. Joint arrangements may be joint operations or joint ventures. In a joint operation, the parties to the joint arrangement have direct rights to the assets and liabilities of the arrangement. By contrast, in a joint venture the parties to the arrangement have rights to the net assets or results of the arrangement. Joint ventures are accounted for using the equity method in accordance with the amended version of IAS 28. IFRS 11 replaces the previous Standard IAS 31, with the result that the previous classification “jointly controlled assets” has been changed to “jointly controlled operations”. Inclusion based on proportionate consolidation is therefore no longer permitted. IFRS 11 is to be applied to financial years commencing on or after 1 January 2014. Early adoption here is possible only in conjunction with early adoption of the Standards IFRS 10 and IFRS 12 and of the new provisions regarding IAS 27 and IAS 28 as well as by disclosure in the Notes. Since RHÖN-KLINIKUM AG already accounts for its joint ventures using the equity method, it is not affected by the amendment.

- IFRS 12 “Disclosures of Interests in Other Entities“

In May 2011, the IASB published IFRS 12 “Disclosures of Interests in Other Entities” and adopted the same on 11 December 2012. It prescribes the required disclosures for entities accounting in accordance with the new Standards IFRS 10 and IFRS 11. IFRS 12 replaces the disclosure duties contained in IAS 28. According to IFRS 12, entities must make disclosures enabling users of financial statements to assess the nature of as well as the risks and financial impacts associated with an entity’s interest in subsidiaries, joint arrangements and associates, and unconsolidated structured entities (special-purpose entities). Disclosures are required in the following areas: material discretionary decisions and judgments to determine whether an entity controls, jointly controls, exercises a material influence over or has any other exposure to other entities, disclosures on interests in subsidiaries, interests in joint arrangements and associates, as well as interests in non-consolidated special-purpose entities. IFRS 12 is to be applied to financial years commencing on or after 1 January 2014. Earlier adoption is permitted with disclosure in the Notes regardless of the application of IFRS 10 and IFRS 11 and the new provisions regarding IAS 27 and IAS 28. RHÖN-KLINIKUM AG is currently reviewing the precise impact on the disclosures in the Notes. It is assumed that this will result in more extensive disclosures in the Notes.

- Revised version of IAS 27 “Separate Financial Statements”

In May 2011 the IASB, as part of a package of five new Standards, published the revised version of IFRS 27 “Consolidated and Separate Financial Statements” and adopted the same on 11 December 2012. It is renamed IAS 27 “Separate Financial Statements” and in future only contains provisions on separate financial statements. The existing provisions remain unchanged. The amendments to IAS 27 are to be applied for the first time to financial years commencing on or after 1 January 2014. Early adoption is possible only in conjunction with early adoption of the Standards IFRS 10, IFRS 11, IFRS 12 and IAS 28 as well as with disclosure in the Notes. No serious impacts on the accounting of companies are expected within the Group of RHÖN-KLINIKUM AG.

- Revised version of IAS 28 “Investments in Associates and Joint Ventures”

In May 2011, the IASB published the revised version of IAS 28 “Investments in Associates” and adopted the same on 11 December 2012. It is renamed IAS 28 “Investments in Associates and Joint Ventures”. As before, IAS 28 describes the accounting of associates as well as use of the equity method for associates and jointly controlled entities. The amendments result from publication of IFRS 10, IFRS 11 and IFRS 12. The new IFRS 28 is to be applied for the first time to financial years commencing on or after 1 January 2014. Early adoption is possible only in conjunction with early adoption of the Standards IFRS 10, IFRS 11, IFRS 12 and IAS 27 as well as with disclosure in the Notes. RHÖN-KLINIKUM AG is currently reviewing the precise impact in terms of accounting policies.

- Amendment to IAS 32 “Offsetting Financial Assets and Financial Liabilities”

In December 2011 the IASB published amendments to IAS 32 “Financial Instruments: Presentation” with respect to offsetting financial assets and financial liabilities and adopted the same on 13 December 2012. The current offsetting model pursuant to IAS 32 is not affected by the amendments. Accordingly, an entity is required to offset a financial asset and financial liability when, and only when, an entity on the reporting date has a legal right of set-off and intends either to settle on a net basis or to realise the financial asset and settle the financial liability simultaneously. The amendments clarify that the legally enforceable claim to offsetting must exist on the reporting date, i.e. must be independent of the occurrence of a future event. The right must be enforceable for all contractual parties in the ordinary course of business and also in the event of insolvency of one of the parties. IAS 32 moreover clarifies that a gross settlement method may be effectively equivalent to a net settlement where certain conditions are met, thus satisfying the criterion of IAS 32. However, the method must result in the elimination of default and liquidity risks and in the processing of receivables and liabilities in a single settlement procedure. Master netting arrangements in which the legal right to offsetting is enforceable only upon the occurrence of future events will not satisfy the offsetting criteria in future either. The amendments are to be applied to financial years commencing on or after 1 January 2014. RHÖN-KLINIKUM AG is currently reviewing the precise impact in terms of accounting policies.

c) New accounting rules from financial year 2015

New Standards and interpretations of practical relevance from financial year 2015

As far as can be seen at present, the following newly published and amended Standards which have not yet been adopted by the European Union are of practical relevance from financial year 2015:

- IFRS 9 “Financial Instruments”

In November 2009, the IASB published the Standard IFRS 9 on the classification and measurement of financial assets which was slightly amended by the IASB in the autumn of 2012. Under IFRS 9, the classification and measurement of financial assets is governed by a new, less complex approach. Under this new approach there are only two instead of four measurement categories for financial assets: measurement at fair value or measurement at amortised cost. In this regard, measurement at amortised cost requires the entity to hold the financial asset to collect the contractual cash flows and the financial asset to have contractual terms that give rise at specified dates to cash flows that exclusively represent payments of principal and interest on the principal outstanding. Financial instruments not satisfying these two conditions are to be measured at fair value. The classification is based on the company’s business model on the one hand, and on the characteristic properties of the contractual cash flows of the respective financial asset on the other. The Standard provides for retrospective application to all existing financial assets. The situation on the date of the Standard’s first-time adoption determines the classification according to the new rules.

In October 2010, the IASB expanded IFRS 9 “Financial Instruments” to include rules on the recognition of financial liabilities and for derecognition of financial instruments. With the exception of the provisions for liabilities measured voluntarily at fair value (referred to as fair-value options), the rules were adopted without changes from IAS 39 “Financial Instruments: Recognition and Measurement” into IFRS 9. IFRS 9 is to be applied to financial years commencing on or after 1 January 2015. Earlier adoption for financial liabilities is permitted, but requires early adoption of the provisions for financial assets. Early adoption for financial assets may also take place without earlier adoption of the new provisions regarding financial liabilities. RHÖN-KLINIKUM AG is currently reviewing the precise impact in terms of accounting policies.

- Amendments to IFRS 7 and IFRS 9 “Mandatory Effective Date and Transition Disclosures”

In December 2011, the IASB published amendments to IFRS 7 and IFRS 9 “Mandatory Effective Date and Transition Disclosures”. The amendment postpones mandatory adoption of IFRS 9 to financial years commencing on or after 1 January 2015. IFRS 9 moreover provides for exemptions under which a company, during its transition to the new Standard, is not required to restate pre-year figures but may make additional disclosures in the notes instead. Moreover, IFRS 9 requires additional disclosures in the notes which are included as amendments in the existing IFRS 7. Based on the respective measurement category pursuant to IAS 39, these relate to the changes in carrying amounts resulting from the switch to IFRS 9 provided that these do not refer to measurement effects at the time of the switch, and additionally to the changes in carrying amounts attributable to such effects. For financial assets and liabilities which in future are measured at amortised costs as a result of the switch to IFRS 9, additional disclosures are required. Furthermore, a reconciliation of measurement categories pursuant to IAS 39 and IFRS 9 with balance sheet items as well as classes of financial instruments must be possible on the basis of disclosures in the notes. RHÖN-KLINIKUM AG is currently reviewing the precise impact in terms of accounting policies.

For further information on new standards and interpretations and on revisions of existing standards, we refer to our statements made in the 2012 Annual Report.

Income tax expenditure was defined on the basis of the tax rate that would be applied to earnings for the full year, i.e. the estimated average effective tax rate is applied to the pre-tax result of the interim reporting period.

SCOPE OF CONSOLIDATION

The ultimate parent company is RHÖN-KLINIKUM AG with its registered office in Bad Neustadt a. d. Saale. In addition to the parent company, RHÖN-KLINIKUM AG, the scope of consolidation comprises 105 subsidiaries in Germany of which 98 are fully consolidated, as well as two companies accounted for using the equity method (of which one is a joint venture and the other an associated company). The other companies are recognised in the consolidated financial statements at the lower of cost or fair value.

Fully consolidated subsidiaries are all companies (including special-purpose entities) in which the Group exercises control over finance and business policy; this is normally accompanied by a share of more than 50.0% of the voting rights. When assessing whether the Group exercises control, the existence and impact of potential voting rights that are currently exercisable or convertible are considered. The Group reviews whether control is exercised also when the parent company holds less than 50% of the shares but has the possibility of controlling the business and finance policy based on de facto control. De facto control exists for example in the case of voting right agreements or high minority rights.

Associated companies are those companies over which the Group has a substantial influence but over which it does not have control because the voting interest is between 20% and 50%. Investments in associated companies and jointly controlled entities (joint ventures) are accounted for using the equity method and upon their first-time consolidation are recognised at cost. Companies whose individual or overall impact on the net assets and results of operations is not material are included in the consolidated financial statement at the lower of cost or fair value.

In financial year 2012 a total of 0.5 doctor's clinical practices and 1.0 ophthalmological doctor's practices were acquired whose conditions of validity as per agreement were satisfied during the reporting period of the first quarter of 2013. No incidental costs were incurred from the acquisition of the doctor's practices. The final purchase price allocation provides for the following effects on the Group's net assets in the first quarter of 2013:

Purchase of doctor's practices January to March 2013	Fair value post acquisition €m
Acquired assets and liabilities	
Intangible assets	0.0
Property, plant and equipment	0.0
Net assets acquired	**0.0**
+ goodwill	0.1
Cost	**0.1**
- purchase price payments outstanding	0.0
- acquired cash and cash equivalents	0.0
Cash outflow on transaction	**0.1**

In the first quarter of 2013, 2.0 clinical doctor's practices were sold. The sale is of minor importance for the Group's net assets, financial position and results of operations.

Apart from that no doctor's practices for which the conditions of validity were met as contractually agreed as per 1 April 2013 and whose transfer and/or inclusion will take place in the second quarter of 2013 were acquired in the first quarter of 2013.

OPERATING SEGMENTS

Our hospitals are operated as legally independent subsidiaries which carry on their business activities in their respective regional markets in line with the guidelines and specifications of the parent company. There are no dependent hospital operations or branches within RHÖN-KLINIKUM AG.

According to IFRS 8 "Operating Segments", segment information is to be presented in accordance with the internal reporting to the chief operating decision maker (management approach).

The chief operating decision maker of RHÖN-KLINIKUM AG is the Board of Management as a whole which makes the strategic decisions for the Group and which is reported to based on the figures of the individual hospitals and subsidiaries. Accordingly, RHÖN-KLINIKUM AG with its acute hospitals and other facilities continues to have only one reportable segment since the other units such as rehabilitation facilities, medical care centres (MVZs) and service companies, whether on a stand-alone basis or in the aggregate, do not exceed the quantitative thresholds of IFRS 8.

SELECTED EXPLANATIONS REGARDING CONSOLIDATED INTERIM INCOME STATEMENT

Revenues

January through March	2013 €m	2012 €m
Fields		
Acute hospitals	725.9	656.7
Medical care centres	14.4	13.6
Rehabilitation hospitals	11.9	12.0
	752.2	**682.3**
Federal states		
Bavaria	135.6	133.2
Saxony	99.5	98.0
Thuringia	79.9	79.3
Baden-Wuerttemberg	33.0	31.8
Brandenburg	31.5	30.7
Hesse	208.7	148.8
Mecklenburg-West Pomerania	1.7	1.7
Lower Saxony	109.9	106.4
North Rhine-Westphalia	20.5	20.5
Saxony-Anhalt	31.9	31.9
	752.2	**682.3**

According to IAS 18, revenues constitute revenues generated from the provision of services and rose compared with the same period last year by € 69.9 million or 10.2% to reach € 752.2 million. Adjusting for changes in the scope of consolidation (first-time consolidation of HSK-Gruppe as of 1 May 2012, MVZ Campus Gifhorn GmbH as of 1 July 2012) to the tune of € 58.0 million this translates into organic growth of € 11.9 million or 1.7%.

Other income

January through March	2013 €m	2012 €m
Income from services rendered	41.8	38.1
Income from grants and other allowances	4.5	3.4
Income from adjustment of receivables	0.9	1.0
Income from indemnification payments/other reimbursements	0.5	0.5
Other	4.2	5.3
	51.9	**48.3**

Income from services rendered includes income from ancillary and incidental activities as well as income from rental and lease agreements. The Group received grants and other allowances as compensation for certain purpose-tied expenditures in connection with publicly financed measures (e.g. costs of personnel and materials for research and teaching, benefits under German legislation governing part-time employment for senior workers, and for other subsidised measures).

Compared with the same period last year, other income increased by € 3.6 million or 7.5%. This increase is accounted for primarily (€ 3.7 million) by income from services including from higher sales of pharmaceuticals above all in the area of cytostatics, from the sale of energy as well as from higher rental income.

Changes in the scope of consolidation account for € 3.5 million of the other income item.

Other expenditures

January through March	2013 €m	2012 €m
Maintenance	22.5	21.5
Charges, subscriptions and consulting fees	18.0	15.3
Administrative and IT costs	5.6	5.2
Impairment on receivables	3.4	2.5
Insurance	4.7	3.3
Rents and leaseholds	5.2	4.2
Travelling, entertaining and representation expenses	1.6	1.8
Other personnel and continuing training costs	3.5	3.3
Losses on disposal of non-current assets	0.4	0.0
Secondary taxes	0.3	0.2
Other	9.0	5.1
	74.2	**62.4**

Compared with the same period last year, other expenditures in the first quarter of 2013 witnessed a disproportionate rise of € 11.8 million or 18.9% to reach € 74.2 million. Of this rise, € 4.3 million or 6.9% is accounted for by our long-standing subsidiaries and € 7.5 million or 12.0% accounted for by subsidiaries consolidated for the first time.

Depreciation

Compared with the same period last year, the depreciation/amortisation item witnessed a rise of € 1.7 million to € 35.0 million. This increase is accounted for almost entirely (€ 1.3 million) by first-time consolidated HSK-Gruppe.

Financial result

Compared with the same period last year, we recorded a rise in our negative financial result by € 2.7 million or 36.0% to € 10.2 million in the first three months of financial year 2013. The rise essentially stems from the increase in net debt to banks due, among other things, to the acquisition of HSK-Gruppe. Capital market interest rates, which continued to be in decline, also negatively impacted our investment portfolio.

The financial result includes profit shares at companies accounted for using the equity method in the amount of € 29,000 (previous year: profit shares of € 7,000).

Income taxes

January through March	2013 €m	2012 €m
Current income tax	5.6	5.7
Deferred taxes	-0.2	1.2
	5.4	**6.9**

At an unchanged rate of taxation, the income tax expense item declined by € 1.5 million or 21.7% to € 5.4 million (previous year: € 6.9 million) compared with same period of the previous year, essentially as a result of a lower tax assessment basis.

At present, tax carry-forwards are only recognised Group-wide to the extent that they are considered probable to be claimed within 5 years.

SELECTED EXPLANATIONS REGARDING CONSOLIDATED INTERIM BALANCE SHEET

Goodwill and other intangible assets

	Goodwill €m	Other intangible assets €m	Total €m
Cost			
1 January 2013	**414.0**	**60.9**	**474.9**
Additions due to changes in scope of	0.1	0.0	0.1
Additions	0.0	0.1	0.1
Disposals	0.3	0.3	0.6
Transfers	0.0	0.0	0.0
31 March 2013	**413.8**	**60.7**	**474.5**
Cumulative depreciation and impairment			
1 January 2013	**0.0**	**43.9**	**43.9**
Depreciation	0.0	1.8	1.8
Disposals	0.0	0.2	0.2
31 March 2013	**0.0**	**45.5**	**45.5**
Balance sheet value at 31 March 2013	**413.8**	**15.2**	**429.0**

	Goodwill €m	Other intangible assets €m	Total €m
Cost			
1 January 2012	**345.0**	**58.1**	**403.1**
Additions due to changes in scope of consolidation	6.5	0.0	6.5
Additions	0.0	0.4	0.4
Disposals	0.0	0.2	0.2
Transfers	0.0	0.3	0.3
31 March 2012	**351.5**	**58.6**	**410.1**
Cumulative depreciation and impairment			
1 January 2012	**0.0**	**37.7**	**37.7**
Depreciation	0.0	1.9	1.9
Disposals	0.0	0.2	0.2
31 March 2012	**0.0**	**39.4**	**39.4**
Balance sheet value at 31 March 2012	**351.5**	**19.2**	**370.7**

Property, Plant and Equipment

	Land and buildings	Technical plant and equipment	Operating and business equipment	Plant under construction	Total
	€m	€m	€m	€m	€m
Cost					
1 January 2013	**2,084.2**	**92.5**	**616.2**	**68.6**	**2,861.5**
Additions due to changes in scope of consolidation	0.0	0.0	0.0	0.0	0.0
Additions	0.0	0.0	2.6	16.8	19.4
Disposals	1.4	0.2	15.3	0.0	16.9
Transfers	3.1	0.4	-0.4	-3.1	0.0
31 March 2013	**2,085.9**	**92.7**	**603.1**	**82.3**	**2,864.0**
Cumulative depreciation and impairment					
1 January 2013	**509.1**	**50.4**	**382.3**	**0.0**	**941.8**
Depreciation	15.0	1.6	16.5	0.0	33.1
Disposals	1.5	0.1	15.0	0.0	16.6
31 March 2013	**522.6**	**51.9**	**383.8**	**0.0**	**958.3**
Balance sheet value at 31 March 2013	**1,563.3**	**40.8**	**219.3**	**82.3**	**1,905.7**

	Land and buildings	Technical plant and equipment	Operating and business equipment	Plant under construction	Total
	€m	€m	€m	€m	€m
Cost					
1 January 2012	**1,881.5**	**83.6**	**570.3**	**157.1**	**2,692.5**
Additions due to changes in scope of consolidation	0.4	0.0	0.4	0.0	0.8
Additions	5.9	0.1	11.2	17.3	34.5
Disposals	2.0	0.0	2.8	0.0	4.8
Transfers	52.7	0.6	11.1	-64.7	-0.3
31 March 2012	**1,938.5**	**84.3**	**590.2**	**109.7**	**2,722.7**
Cumulative depreciation and impairment					
1 January 2012	**456.7**	**46.0**	**330.7**	**0.0**	**833.4**
Depreciation	13.3	1.4	16.7	0.0	31.4
Disposals	0.8	0.0	2.6	0.0	3.4
31 March 2012	**469.2**	**47.4**	**344.8**	**0.0**	**861.4**
Balance sheet value at 31 March 2012	**1,469.3**	**36.9**	**245.4**	**109.7**	**1,861.3**

Interests in companies accounted for using the equity method at € 258,000 (31 December 2012: € 228,000) are reported under other financial assets (non-current) on the grounds of materiality.

Shareholders' equity

The increase in equity capital compared with the reporting date of 31 December 2012 by € 27.2 million results from net consolidated profit for the first three months of financial year 2013 (€ 24.3 million) and from the recognition of positive changes in the market values of derivative financial instruments designated as interest-rate hedging instruments (€ 3.5 million). These compare with actuarial losses of € 0.6 million recognised in equity resulting from pension commitments pursuant to IAS 19 revised.

Provisions for post-employment benefits

The change in accounting resulting from the first-time adoption of IAS 19 revised 2011 has an impact on the consolidated balance sheet and the consolidated statement of comprehensive income. In the case of changes in accounting adopted retroactively, IAS 19 revised 2011 in conjunction with IAS 8 requires the additional disclosure of the opening balance sheet of the earliest comparative period.

In the case of adoption of the revisions of IAS 19 revised as of 1 January 2012 and 1 January 2013, the relevant items in the consolidated balance sheet and in the consolidated statement of comprehensive income would be presented as follows:

Consolidated balance sheet	**31 December 2012/1 January 2013**			**31 December 2011/1 January 2012**		
	Published	**Adjust-ments**	**Amount adjusted**	**Published**	**Adjust-ments**	**Amount adjusted**
	€m	**€m**	**€m**	**€m**	**€m**	**€m**
Non-current assets	2.381,5	0,0	2.381,5	2.246,1	0,1	2.246,2
of which deferred tax assets	3,2	0,0	3,2	3,3	0,1	3,4
Current assets	802,9	0,0	802,9	929,2	0,0	929,2
Balance sheet total	**3.184,4**	**0,0**	**3.184,4**	**3.175,3**	**0,1**	**3.175,4**
Shareholders' equity	1.607,5	0,2	1.607,7	1.598,7	-0,8	1.597,9
Equity attributable to shareholders of RHÖN-KLINIKUM AG	1.581,9	0,2	1.582,1	1.555,0	-0,8	1.554,2
Non-controlling interests in equity	25,6	0,0	25,6	43,7	0,0	43,7
Non-current liabilities	841,1	-0,2	840,9	1.044,4	0,9	1.045,3
of which provisions for post-employment benefits	5,5	-0,2	5,3	8,9	0,9	9,8
Current liabilities	735,8	0,0	735,8	532,2	0,0	532,2
Balance sheet total	**3.184,4**	**0,0**	**3.184,4**	**3.175,3**	**0,1**	**3.175,4**

Consolidated Statement of Comprehensive Income	**2012**			**2011**		
	Published	**Adjust-ments**	**Amount adjusted**	**Published**	**Adjust-ments**	**Amount adjusted**
	€m	**€m**	**€m**	**€m**	**€m**	**€m**
Net consolidated profit	**92,0**	**0,0**	**92,0**	**161,1**	**0,0**	**161,1**
of which shareholders of RHÖN-KLINIKUM AG	89,7	0,0	89,7	156,1	0,0	156,1
of which non-controlling interests	2,3	0,0	2,3	5,0	0,0	5,0
Change in net gains or losses directly recognised in equity	**-0,7**	**0,2**	**-0,5**	**-8,9**	**-0,8**	**-9,7**
of which shareholders of RHÖN-KLINIKUM AG	-0,7	0,2	-0,5	-8,9	-0,8	-9,7
of which non-controlling interests	0,0	0,0	0,0	0,0	0,0	0,0
Net consolidated profit and net gains or losses directly recognised in equity	**91,3**	**0,2**	**91,5**	**152,2**	**-0,8**	**151,4**
of which shareholders of RHÖN-KLINIKUM AG	89,0	0,2	89,2	147,2	-0,8	146,4
of which non-controlling interests	2,3	0,0	2,3	5,0	0,0	5,0

Financial debt and financial derivatives

The framework volume of the syndicated line of credit existing since 2006 with an original volume of € 400 million was reduced to € 200 million as at 28 November 2012. The draw-down on the line is at € 200 million as at 31 March 2013.

In financial year 2012, RHÖN-KLINIKUM AG concluded a revolving syndicated line of credit in the amount of € 350 million with a term until 27 November 2017. As at the reporting date of 31 March 2013, this line of credit had not been utilised.

The rating agency Moody's latterly graded the institutional rating of RHÖN-KLINIKUM AG in a Credit Opinion of 18 December 2012 in the category Baa3 (negative outlook).

In the first quarter of 2013, no new interest-rate hedges were concluded. As at 31 March 2013 a total of € 27.4 million was allocated from hedge relationships to the re-valuation reserve. In the first quarter of 2013, changes in the valuation of non-hedged derivatives in the amount of € 0.01 million were recognised with earnings increasing effect in other income.

OTHER DISCLOSURES

Interests held in the Company

The shareholders specified below have notified the Company that during the reporting period their voting interest exceeded or fell below the statutory reporting thresholds pursuant to section 21 et seq. of the WpHG and that they thus at least temporarily held a voting interest of over 3% in the Company either directly or by way of attribution of such voting interest to them. Notified events of interests crossing a given threshold that took place in the period of 1 January 2013 up to and including 31 March 2013 are listed.

		Voting interest pursuant to sections 21, 22 WpHG on date that interest exceeds/falls below threshold					
Notifying entity	**Published on**	**Held directly %**	**Attri-buted %**	**Voting rights held %**	**Date that interest exceeds/falls below the threshold**	**Interest exceeding/ falling below threshold by**	**Attribution pursuant to WpHG (section 21 (1) WpHG)**
JPMorgan Chase & Co, New York, USA	17 January 2013		3.75	**3.75**	08 January 2013	> 3%	Section 22 (1) sentence 1 no. 5 in conj. with sentence 2 (name of shareholders from whose shares 3% or more are attributed: Paulson & Co. Inc.)
JPMorgan Chase & Co, New York, USA	28 January 2013		2.45	**2.45**	22 January 2013	< 3%	Section 22 (1) sentence 1 no. 5 in conj. with sentence 2
JPMorgan Chase & Co, New York, USA	30 January2013		4.27	**4.27**	24 January 2013	> 3%	Section 22 (1) sentence 1 no. 5 in conj. with sentence 2 (name of shareholders from whose shares 3% or more are attributed: Paulson & Co. Inc.)

The reported voting interests may have changed since 31 March 2013. With regard to notifications on threshold events pursuant to section 21 (1) of the WpHG that took place as of 1 April 2013, and for additional information on the attribution of the respective voting rights pursuant to section 22 of the WpHG, we refer to the publications on our homepage in the Investors / IR News section. The notified voting interests and/or interest in the registered share capital were determined by the notifying entities on the basis of the existing aggregate number of shares at the time of the notification of voting rights.

Based on the threshold events notified to us, the following picture pursuant to sections 21, 22 of the WpHG in terms of shareholder structure emerges as at the relevant key date of 31 March 2013:

Voting interest pursuant to sections 21, 22 WpHG on date that interest exceeds/falls below threshold*

Notifying entity	Published on	Held directly %	Attri-buted %	Voting rights held %	Date that interest exceeds/falls below the threshold	Interest exceeding / falling below threshold by	Attribution pursuant to WpHG (section 21 (1) WpHG)
Ingeborg Münch, Germany**	15 February 2007	6.42		**6.42**	17 April 2002	> 5 %	Section 21 (1)
Eugen Münch, Germany**	15 February 2007	9.74		**9.74**	26 September 2005	< 10 %	Section 21 (1)
Alecta pensionsförsäkring ömesesidigt, Stockholm/Sweden	17 July 2009	9.94		**9.94**	15 July 2009	< 10 %	Section 21 (1)
Dr. gr. Broermann, Germany	27 June 2012		5.01	**5.01**	27 June 2012	> 5 %	Section 22 (1) sentence 1 no. 1 Names of controlled entities: Asklepios Kliniken GmbH, Asklepios Kliniken Verwaltungsgesellschaft mbH
B. Braun Holding GmbH & Co. KG, Melsungen / Germany (see column to right for attribution to shareholders)	4 September 2012	5.00		**5.0002**	27 August 2012	> 3%, > 5%	Section 21 (1) - Attribution pursuant to section 22 (1) sentence 1 no. 1 to BraHo Verwaltungsgesellschaft mbH, Melsungen, Germany; Ilona Braun, Germany; Martin Lüdicke, Germany, Ludwig G. Braun GmbH & Co. KG, Melsungen, Germany; Prof. Dr. h.c. Ludwig Georg Braun, Germany
Else Kröner-Fresenius-Stiftung, Bad Homburg v. d. Höhe, Germany	5 September 2012		5.00	**5.0000007**	3 September 2012	> 5%	Section 22 (1) sentence 1 no. 1 - Names of controlled entities: Fresenius Management SE, Fresenius SE & Co. KGaA
John Paulson, USA	31 May 2012		3.65	**3.65**	22 May 2012	> 3 %	Section 22 (1) sentence 1 no. 1 Name of controlled entity: Paulson & Co. Inc.
JPMorgan Chase & Co, New York, USA	30 January 2013		4.27	**4.27**	24 January 2013	> 3%	Section 22 (1) sentence 1 no. 5 in conj. with sentence 2 (name of shareholders from whose shares 3% or more are attributed: Paulson & Co. Inc.)

* The capital increase of 6 August 2009 is not reflected in interests exceeding/falling below the threshold before the key date of 6 August 2009.

** By reason of the capital increase of 6 August 2009, the Company was informed that the voting interest of the Münch family at this time totals 12.45% without exceeding/falling below a notification threshold.

As at 31 March 2013, the Company holds 24,000 treasury shares. This corresponds to 0.017% of the voting rights.

Corporate Bodies and Advisory Board

Since the last reporting date, the composition of the Supervisory Board has remained unchanged. Regarding the composition of the Supervisory Board as well as its allocation of duties and responsibilities, please refer to the Annual Report as at 31 December 2012.

The composition of the Board of Management has remained unchanged since the last reporting date. With effect from 1 January 2013, Dr. Dr. Martin Siebert was appointed as chairman of the Board of Management. The allocation of responsibilities within the Board of Management was adjusted to this accordingly. Regarding the composition of the Board of Management as well as its allocation of duties and responsibilities, please refer to the Annual Report as at 31 December 2012.

Since the last reporting date, the composition of the Advisory Board has remained unchanged. Regarding the composition of the Advisory Board as well as its allocation of duties and responsibilities, please refer to the Annual Report as at the last reporting date.

Related parties

RHÖN-KLINIKUM Group companies, in given instances, enter into transactions with related parties, as further described in the Notes to the Consolidated Financial Statements as at 31 December 2012. The transactions conducted with related parties primarily result from service or lease relations arranged at arm's length terms. In the view of the RHÖN-KLINIKUM Group, these transactions are not of material significance.

No material transactions with related parties which are unusual in terms of their nature or amount have taken place.

The companies belonging to the group of related parties and the business transacted with these companies are unchanged in terms of the nature of the performance relationship and the amount of the pro rata temporis business volume compared with the Consolidated Financial Statements as at 31 December 2012. The same applies for the financial receivables and/or liabilities that existed with related parties.

Staff members of RHÖN-KLINIKUM AG or its subsidiaries who act as labour representatives on the Supervisory Board received the amount of remuneration as defined by their employment contracts.

Total remuneration of Supervisory Board, the Board of Management and the Advisory Board

The contractual remuneration for the members of the Supervisory Board, the Board of Management and the Advisory Board has remained in principle unchanged since the last reporting date. One adjustment was made as a result of the appointment of Dr. Dr. Siebert as chairman of the Board of Management.

No loans were granted to members of the Supervisory Board, the Board of Management or the Advisory Board.

During the reporting period, RHÖN-KLINIKUM AG was not notified of any transactions pursuant to section 15a of the WpHG of members of the Board of Management or of the Supervisory Board (directors' dealings).

Employees

At the reporting date of 31 March 2013 the Group employed a total of 42,715 persons (31 December 2012: 43,059 persons). This decline by 344 versus the reporting date of 31 December 2012 is the result of a reduction by 300 persons from of staffing decreases at our hospitals, 24 persons from staffing decreases at our service companies, as well as 20 persons from staffing decreases at our MVZ companies.

Other financial obligations

The investment obligations resulting from company purchase agreements declined as at the reporting date to € 151.0 million (31 December 2012: € 155.2 million).
The remaining other financial obligations have not changed significantly since the last reporting date.

Contingent liabilities

The aggregate volume of contingent liabilities has not changed significantly since the last reporting date.

Earnings per share

Earnings per share in accordance with IAS 33 is calculated using the share of net consolidated profit attributable to the shareholders of RHÖN-KLINIKUM AG and the weighted average number of shares in issue during the year. Diluted earnings per share correspond to basic earnings per share, as there were no stock options or convertible debentures outstanding on the reporting date.

The following table sets out the development in the shares in issue:

	No. of shares on 31 March 2013	No. of shares on 31 March 2012
Non-par shares	138,232,000	138,232,000
Treasury non-par shares	-24,000	-24,000
Shares in issue	**138,208,000**	**138,208,000**

Earnings per share are calculated as follows:

Non-par shares	**31 March 2013**	**31 March 2012**
Share in net consolidated profit (€ '000)	23,652	33,183
Weighted average number of shares in issue in '000 units	138,208	138,208
Earnings per share in €	0.17	0.24

Cash Flow Statement

The cash flow statement shows how the item "Cash and cash equivalents" of RHÖN-KLINIKUM Group has changed in the year under review as a result of cash inflows and outflows. The impact of acquisitions, divestments and other changes in the scope of consolidation has been eliminated. In accordance with IAS 7 (Cash Flow Statements), a distinction is made between cash flows from operating activities, investing activities as well as financing activities. The liquidity shown in the statement of changes in financial position includes cash on hand, cheques as well as cash with banks. For the purposes of the cash flow statement, bank overdrafts in the amount of € 26.1 million (previous year: € 34.8 million) are deducted from cash and cash equivalents. The cash flow statement has included a figure of € 9.9 million (previous year: € 25.0 million) for outstanding construction invoices and a figure € 0.01 million (previous year: € 0.01 million) for non-cash income from financial derivatives.

Bad Neustadt a. d. Saale, 25 April 2013

RHÖN-KLINIKUM Aktiengesellschaft

THE BOARD OF MANAGEMENT

Volker Feldkamp Martin Menger Jens-Peter Neumann Dr. Dr. Martin Siebert

KEY RATIOS

KEY RATIOS JANUARY THROUGH MARCH 2013 / JANUARY THROUGH MARCH 2012

Data in € m	Jan. through March 2013	Jan. through March 2012	Change in %
Revenues	752.2	682.3	10.2
Materials and consumables used	195.3	178.0	9.7
Employee benefits expense	459.7	408.4	12.6
Depreciation/amortisation and impairment	35.0	33.3	5.1
Net consolidated profit according to IFRS	24.3	34.1	-28.7
Earnings share of RHÖN-KLINIKUM AG shareholders	23.7	33.2	-28.6
Earnings share of non-controlling interests	0.6	0.9	-33.3
Return on revenue (%)	3.2	5.0	-36.0
EBT	29.7	41.0	-27.6
EBIT	39.9	48.5	-17.7
EBIT - ratio (%)	5.3	7.1	-25.4
EBITDA	74.9	81.8	-8.4
EBITDA ratio (%)	10.0	12.0	-16.7
Operating cash flow	59.5	66.0	-9.8
Property, plant and equipment as well as investment property	1,910.1	1,865.9	2.4
Non-current income tax claims	9.6	11.7	-17.9
Equity according to IFRS	1,634.7	1,632.4	0.1
Return on equity, %	6.0	8.5	-29.4
Balance sheet total according to IFRS	3,185.0	3,171.9	0.4
Investments			
in property, plant and equipment, intangible assets as well as in investment property	19.6	42.2	-53.6
in other assets	0.0	0.0	0.0
Earnings per ordinary share (€)	0.17	0.24	-29.2
Number of employees (headcount)	42,715	39,380	8.5
Case numbers (patients treated)	670,677	609,896	10.0
Beds and places	17,104	16,060	6.5

FINANCIAL CALENDAR

DATES FOR SHAREHOLDERS AND ANALYSTS

2013

25 April 2013	Results Press Conference: Publication of 2012 annual financial report
25 April 2013	Publication of Interim Report for the quarter ending 31 March 2013
12 June 2013	Annual General Meeting (at the Jahrhunderthalle Frankfurt)
8 August 2013	Publication of Half-Year Financial Report as at 30 June 2013
7 November 2013	Publication of Interim Report for the quarter ending 30 September 2013

RHÖN-KLINIKUM AG
Postal address:
97615 Bad Neustadt a. d. Saale,
Germany

Visitors' address:
Salzburger Leite 1
97616 Bad Neustadt a. d. Saale,
Germany
Phone ++ 49 97 71 65-0
Fax ++49 97 71 9 74 67

Internet:
http://www.rhoen-klinikum-ag.com

E-mail:
rka@rhoen-klinikum-ag.com

This Interim Report is also available in German.