

# Consolidated interim report

as at 31 March 2014

in accordance with International Financial Reporting Standards

**Asklepios Kliniken** Gesellschaft mit beschränkter Haftung, Hamburg

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## Group key figures as at 31 March 2014

		<b>3 months 2014</b>	<b>3 months 2013</b>	<b>Change</b>
Number of patients		542,741	534,116	1.6%
Valuation ratio		145,910	143,741	1.5%
Number of beds		26,587	26,562	0.1%
Employees (full-time equivalents)		34,189	34,302	-0.3%
Net cash from operating activities	EUR million	70.4	18.0	291.1%
Sales	EUR million	753.7	724.0	4.1%
EBITDAR (earnings before interest, taxes, depreciation, amortisation and rent)	EUR million	77.6	66.6	16.5%
<i>EBITDAR margin in %</i>		10.3	9.2	
EBITDA	EUR million	64.0	52.7	21.4%
<i>EBITDA margin in %</i>		8.5	7.3	
EBIT	EUR million	37.0	26.6	39.1%
<i>EBIT margin in %</i>		4.9	3.7	
Consolidated net income for the year	EUR million	24.1	15.7	53.5%
<i>Return on sales in %</i>		3.2	2.2	
Investments in property, plant and equipment and intangible assets	EUR million	44.0	55.4	-20.6%
of which subsidies	EUR million	18.2	27.6	-34.1%
Interest coverage factor (EBITDA/interest result)		7.5x	8.3x	
		<b>31 Mar. 2014</b>	<b>31 Dec. 2013</b>	<b>Change</b>
Total assets	EUR million	2,814.6	2,755.0	2.2%
Equity <sup>1)</sup>	EUR million	948.1	926.3	2.4%
<i>Equity ratio in %</i>		33.7	33.6	
Financial liabilities (excluding subordinated capital)	EUR million	723.9	734.9	-1.5%
Cash and cash equivalents	EUR million	224.7	204.1	10.1%
Net debt	EUR million	499.2	530.8	-6.0%
Net debt / EBITDA		1.7x	1.9x	
Financial liabilities (including subordinated capital)	EUR million	791.8	802.8	-1.4%
Cash and cash equivalents	EUR million	224.7	204.1	10.1%
Net debt	EUR million	567.1	598.7	-5.3%
Net debt / EBITDA		1.9x	2.1x	

<sup>1)</sup>adjusted, see Note no. VII 3) Equity

# Group management report

## A. Organic growth of around 4% for the Asklepios Group in the first three months of the 2014 financial year

The Asklepios Group's aspiration to always offer the best medical care for each patient is based on commitment to quality, innovation and a clear dedication to social responsibility for the patients. The Group's economic security forms the backbone for ensuring patient and employee safety. Investments in the modernisation and quality enhancement of technical equipment and in the education and training of specialist and service staff are aimed at fulfilling these objectives.

Specialist centres in certain clinics offer improved medical services to set priorities in addition to the basic offering of diagnostic and therapeutic services, including emergency care. A detailed analysis of the circumstances in all clinics, with a careful examination of the referral environment and the offerings of nearby clinics, leads to an understanding of the requirements for the planned specialisation. Business plans for the next three to five years round off the demand-oriented specialisation of efficient hospital care. Asklepios documented a predominantly organic rise in the number of patients by +1.6% from 534,116 to 542,741. The trend towards outpatient care continued; this area saw an increase of 2.1% on the same period of the previous year. Positive development in the first quarter also resulted in a slight increase of 0.7% in inpatient numbers compared to the first three months of the previous year. This positive trend had already intensified continuously over the quarters of the past financial year and is now continuing in the current financial year.

In a direct quarterly comparison of the period from January to March 2014 with the same period of the previous year, the increase in patient numbers in the first quarter had a positive effect on revenue and earnings performance despite the lower revenue per outpatient compared to inpatients. Increases in efficiency through shared services and the focus on requirement-based operating expenses and optimised turnaround management help to at least partially compensate for the continuously increasing energy prices, material expenses and especially staff costs. The current collective wage agreements will increase staff costs in particular and have a negative effect on the earnings situation in the current 2014 financial year. Overall, an operating margin at EBITDA level above the particularly low level of the previous year was achieved in the first quarter of 2014 at 8.5% (Q1 2013: 7.3%).

The proportion of internally financed quality-assurance investments in the technical equipment and interconnection of clinics and in the education and training of specialist and service staff was nearly 59%, well above the ratio of around 50% in the same period of the previous year. Net cash from operating activities improved to EUR 70.4 million, well above the previous year (EUR 18.0 million). This was due to the significant improvement in working capital, among other things. A good half of operating cash flow was used for investments in property, plant and equipment and around a third for debt repayment.

Net debt fell by 5.3% and amounted to EUR 567.1 million as at 31 March 2014 (31 December 2013: EUR 598.7 million), of which EUR 67.9 million still related to subordinated capital. The debt ratio fell to 1.9 times EBITDA compared to 2.1 times EBITDA in the same period of the previous year. Solid financial and capital structures also continue to characterise the Asklepios Group. Adjusted for the non-recurring extraordinary item resulting from the precautionary recognition of actuarial risks of EUR 13.2 million, the equity ratio improved slightly to 33.7%

(31 December 2013: 33.6%). Cash and cash equivalents of EUR 224.7 million (31 December 2013: EUR 204.1 million) and unutilised credit facilities of approximately EUR 463.0 million mean that the Group has sufficient financial reserves for further growth and investments in patient and employee safety.

## B. General economic conditions

For 2014, the German Federal Government expects average growth of gross domestic product of 1.8%. In 2013, GDP increased by an average of 0.4%. After the weak period in winter 2012/2013 as a result of weather conditions, the German economy returned to a stable course of success, which is continuing steadily in 2014. According to the 2014 annual economic report, sentiment indicators suggest that consumers and businesses have faith in positive economic development. This means economic growth in Germany is expected to be higher than the average for the euro zone.

The German employment market will also continue to develop solidly in 2014. The unemployment rate was 6.9% in 2013 and will fall slightly to 6.8% according to the German Federal Statistical Office's projection for 2014. The Consumer Price Index published by the German Federal Statistical Office was up 1.3% on the previous year in January 2014, so inflation remained low at the start of the year. Compared to the month before, the Consumer Price Index fell by 0.6% in January.

## C. General sector conditions

In some German states, the hospital market is still characterised by rising demand for medical services. Overall, however, the weakening of growth momentum observed in previous years is continuing. At the same time, the performance of individual hospitals is very diverse. A year-on-year deceleration of growth is also discernible in the psychiatric departments. However, the growth is still greater than in the somatic segment.

Overall, the cost increases in 2014 were funded somewhat better than in previous years. The measures adopted by the Federal Government last year contributed to this. The proportional refinancing of wage increases in 2013 and the care surcharge to offset the discounts for additional services are having a positive impact in 2014. In addition, the orientation value, the significant value for the increase in base rates at state level in the 2014 financial year, is above the values of previous years at 2.81%. The more positive development of statutory health insurers' premium income is therefore at least partially passed on directly to the hospitals. Nonetheless, the competition for diversification in the hospital sector is expected to intensify further despite the better starting position.

The refinancing of the additional costs that arose from the amendment of German hygiene legislation in 2011 likewise enacted by the Federal Government last year will have a greater effect in 2014 than in the last financial year due to its being effective for the entire year. In spite of this, no significant additional revenue is expected here. It is expected to amount to just a few tenths of a percent of total revenue from inpatient services. As a consequence, there will be even stronger cost management at the clinics.

## D. Outlook

The Asklepios Group is countering this development with the targeted positioning of individual hospitals as part of the focus concept. This concept is supported by stronger cooperation and targeted network building within the Group. Increasing investments in buildings, technical equipment and the training and education of specialist and service staff in the Asklepios Group contribute to the increase of the attractiveness of our facilities and thus to continuous organic growth. At the same time, they improve the efficiency of the hospitals and manifest themselves in sinking consequential costs. Asklepios purposefully uses its financial strength for a growing proportion of proprietary investments in the hospitals.

## E. Results of operations, financial position and net assets

### 1) Business performance and results of operations

EUR'000	3 months 2014		3 months 2013	
Revenue	753,658	100.0%	723,967	100.0%
Other operating income	52,582	7.0%	48,231	6.7%
Cost of materials	171,916	22.8%	168,715	23.3%
Personnel expenses	494,190	65.6%	478,677	66.1%
Other operating expenses (excluding rental expenditure)	62,541	8.3%	58,161	8.0%
<b>EBITDAR</b>	<b>77,593</b>	<b>10.3%</b>	<b>66,645</b>	<b>9.2%</b>
Rental expenditure	13,551	1.8%	13,980	1.9%
<b>EBITDA</b>	<b>64,042</b>	<b>8.5%</b>	<b>52,665</b>	<b>7.3%</b>
Depreciation, amortisation and impairment	27,061	3.6%	26,093	3.6%
<b>EBIT</b>	<b>36,981</b>	<b>4.9%</b>	<b>26,572</b>	<b>3.7%</b>
Interest result	-8,520	-1.1%	-6,383	-0.9%
Income taxes	-4,344	-0.6%	-4,508	-0.6%
<b>Consolidated net profit</b>	<b>24,117</b>	<b>3.2%</b>	<b>15,681</b>	<b>2.2%</b>

The rise in patient numbers resulted in revenue growth. This was increased by 4.1% from EUR 724.0 million to EUR 753.7 million, and 3.9% is based on organic growth.

85.5% (previous year: 85.6%) of revenue was generated in acute-care hospitals, 13.7% (previous year: 13.5%) in rehabilitation clinics and 0.8% (previous year: 0.9%) in other facilities.

Other operating income of EUR 52.6 million (previous year: EUR 48.2 million) includes income from additional services, rental and leasing, insurance claims, income from granting rights of use and income from clinical studies and research projects.

In early 2014, the last remaining budget agreements for 2013 were concluded. Apart from the two budget agreements still being implemented because of the clarification of minor outstanding issues, all 2013 budgets are agreed and approved. The agreements made in the first quarter of 2014 resulted in minor positive non-recurring effects relating to other periods.

Case numbers	3 months 2014	3 months 2013	Absolute change	Relative change
Inpatient	173,010	171,841	1,169	0.7%
Outpatient	369,731	362,275	7,454	2.1%
<b>Total patients</b>	<b>542,741</b>	<b>534,116</b>	<b>8,625</b>	<b>1.6%</b>
<b>Valuation ratio</b>	<b>145,910</b>	<b>143,741</b>	<b>2,169</b>	<b>1.5%</b>
<b>Number of beds</b>	<b>26,587</b>	<b>26,562</b>	<b>25</b>	<b>0.1%</b>

Patient numbers were increased from 534,116 in the same period of the previous year to their current level of 542,741 (+1.6%, of which 31.9% inpatients and 68.1% outpatients) thanks to the provision of medical services in line with demand. A key measure that will be pursued further in the coming months is the shift in the post-acute product mix in order to be less dependent on individual payers but also to serve demand more accurately. The trend in inpatients was already reversed as a result in the first quarter of 2014. The somatic segment achieved performance growth (valuation ratio) of + 1.5% (2,169 valuation ratio) due to capex and structural measures.

Average case income declined slightly from EUR 3,846 to EUR 3,829 in the first quarter of 2014. Due to the slight increase in beds in connection with stagnating hospitalisation days in the post-acute area, utilisation saw a slight decrease to 83.9% (previous year: 84.3%).

The cost and earnings ratios developed as follows:

	3 months 2014	3 months 2013
Cost of materials ratio	22.8%	23.3%
Staff costs ratio	65.6%	66.1%
Other expenses ratio (not including rental expenditure)	8.3%	8.0%
Rental expense ratio	1.8%	1.9%
<b>EBITDA</b>	<b>8.5%</b>	<b>7.3%</b>
Depreciation and amortisation expense ratio	3.6%	3.6%
<b>EBIT</b>	<b>4.9%</b>	<b>3.7%</b>
Net finance costs ratio	-1.1%	-0.9%
Tax expense ratio	-0.6%	-0.6%

The Asklepios Group succeeded in reducing the ratio of cost of materials and of personnel expenses in the first quarter of 2014. This was achieved even though, in terms of costs, increases in both staff costs and the cost of materials have been seen for some time due to quantitative and price effects. In addition, the discrepancy between rising costs due to continuously increasing energy prices, material and staff costs and capped remuneration for medical treatment is continuing to widen in 2014.

Cost of materials increased by EUR 3.2 million to EUR 171.9 million in absolute terms, but the cost of materials ratio was lowered to 22.8% compared to the previous year (23.3%). The measures to reduce operating expenses continued to take effect here. Management measures in the field of high-priced implants had a particular impact here. However, energy costs also remained a cost driver. The measures taken in this area will therefore only take full effect in the coming years. The higher production costs for cytostatics also impacted the cost of materials, although these were offset by increased income from dispensing cytostatics.

In absolute terms, staff costs rose more slowly than revenue growth by 3.2% from EUR 478.7 million to EUR 494.2 million and resulted in a staff costs ratio that fell from 66.1% to 65.6%. Overall, the absolute increase in staff costs was due to wage increases in collective agreements concluded in the previous year (+2.5% to 3.0%). In the current 2014 financial year, the present collective wage agreements are again having a negative impact on the earnings situation due to rising staff costs.

Asklepios reported a change in other operating expenses (excluding rental expenditure) of EUR 4.3 million to EUR 62.5 million (previous year: EUR 58.2 million). The ratio was up slightly year on year at 8.3%. This increase was mainly due to expenses for litigation and damage claims, maintenance and servicing.

EBITDA improved year on year in the first quarter, rising from EUR 52.7 million in the previous year to EUR 64.0 million. This corresponds to a margin of 8.5% in the first quarter of 2014 (previous year: 7.3%), meaning that the EBITDA margin increased by 1.2 percentage points.

In the first quarter of 2014, the depreciation and amortisation expense ratio was 3.6%, at the same level as in the previous year.

The EBIT of EUR 37.0 million generated in the reporting period meant a margin of 4.9% (previous year: EUR 26.6 million and 3.7%).

The interest result increased by EUR 2.1 million. While interest income increased slightly to EUR 0.7 million, interest expenses climbed by EUR 2.5 million to EUR 9.2 million.

Income taxes declined slightly to EUR 4.3 million (previous year: EUR 4.5 million).

Consolidated net income was increased year on year. Consolidated net income increased from EUR 15.7 million in the same period of the previous year to EUR 24.1 million in the period under review. In the first quarter of 2014, the return on sales was 3.2% (previous year: 2.2%).



## 2) Financial position and net assets

As a conservative company in terms of finance, the Group's financing structure is generally long-term in nature. Accordingly, most underlying credit volumes are hedged against interest fluctuation risks in the long term. The operating management of cash and cash equivalents and the financing of Group entities are performed via the Group holding company on the basis of careful investment and with a view to creditworthiness, involving broad diversification across banks within the three major deposit protection systems in Germany.

In addition to cash and cash equivalents of EUR 224.7 million, the Group has unutilised credit facilities of around EUR 463.0 million at its disposal. The high internal financing power and the relatively moderate level of net debt protect the Group from further financial market risks.

One of the central elements of the Group's financing strategy consists of sustainably optimising capital costs. The starting point for this approach is the long-term limitation of financial risks in the organisation of the operating business. Accordingly, sound financial structures are considered to form an important basis for all significant stages of growth.

The debt ratio – measured as net debt/EBITDA – fell again. According to internal guidelines, this ratio must not exceed 3.5x. The following table illustrates how this performance indicator was calculated as at the end of the quarter:

EUR million	31 Mar. 2014	31 Dec. 2013
<b>Excluding subordinated capital</b>		
Financial liabilities (excluding subordinated capital)	723.9	734.9
Cash and cash equivalents	224.7	204.1
Net liabilities (excluding subordinated capital)	499.2	530.8
EBITDA (for the preceding four quarters)	295.8	284.4
<b>Net debt / EBITDA</b>	<b>1.7x</b>	<b>1.9x</b>

This means that, at 1.7x (previous year: 1.9x), this indicator is well within the specified guidelines in the current financial year.

Even taking into account subordinated capital, the indicator amounted to 1.9x (previous year: 2.1x).

EUR million	31 Mar. 2014	31 Dec. 2013
<b>Including subordinated capital</b>		
Financial liabilities (including subordinated capital)	791.8	802.8
Cash and cash equivalents	224.7	204.1
Net liabilities (including subordinated capital)	567.1	598.7
EBITDA (for the preceding four quarters)	295.8	284.4
<b>Net debt / EBITDA</b>	<b>1.9x</b>	<b>2.1x</b>

Compared with German industry as a whole and the relevant competitors within the industry, this leverage can be considered positive. The interest coverage factor (EBITDA/interest result) in the first quarter stands at 7.5x (comparative period of the previous year: 8.3x).

Summarised statement of financial position EUR million	31 Mar. 2014		31 Dec. 2013	
	Value	%	Value	%
Non-current assets	2,014.3	71.6%	2,001.1	72.6%
Current assets	800.3	28.4%	753.9	27.4%
<b>ASSETS</b>	<b>2,814.6</b>	<b>100.0%</b>	<b>2,755.0</b>	<b>100.0%</b>
Equity	934.9	33.2%	926.3	33.6%
Participation capital/subordinated capital	67.9	2.4%	67.9	2.5%
Non-current liabilities and provisions	1,251.9	44.5%	1,237.4	44.9%
Current liabilities and provisions	559.9	19.9%	523.4	19.0%
<b>EQUITY AND LIABILITIES</b>	<b>2,814.6</b>	<b>100.0%</b>	<b>2,755.0</b>	<b>100.0%</b>

The balance sheet and financing structures are sound. Total assets increased from EUR 2,755.0 million in the previous year to EUR 2,814.6 million. Equity rose by EUR 8.6 million to EUR 934.9 million in the period under review. The equity ratio amounted to 33.2% (31 December 2013: 33.6%) of total assets. Adjusted for the non-recurring extraordinary item resulting from the precautionary recognition of actuarial risks of EUR 13.2 million, the equity ratio improved slightly to 33.7%. Asklepios has permanent interest-free and redemption-free access to subsidies of approximately EUR 1,279.7 million (31 December 2013: EUR 1,287.1 million). As these subsidies will fall due for repayment only in the hypothetical event of no longer being included in the hospital plan, these funds are in effect similar to equity.

The following table shows the areas in which cash and cash equivalents have changed over the course of the year:

EUR million	3 months 2014	3 months 2013
EBITDA	64.0	52.7
Cash flow from operating activities	70.4	18.0
Cash flow from investing activities	-25.2	-27.2
Cash flow from financing activities	-24.7	-35.8
<b>Changes in cash and cash equivalents</b>	<b>20.5</b>	<b>-45.0</b>
Cash and cash equivalents on 1 January	204.1	145.9
<b>Cash and cash equivalents on 31 March</b>	<b>224.7</b>	<b>100.9</b>

In the first quarter of 2014, cash and cash equivalents increased by EUR 123.8 million to EUR 224.7 million year on year. Net cash from operating activities amounted to EUR 70.4 million. Net cash from operating activities increased year on year due to strong EBITDA. Cash flow from operating activities is offset by cash flow from investing activities including acquisitions of EUR 25.2 million (previous year: EUR 27.2 million).

Net cash used in investing activities of EUR 25.2 million primarily includes investments in non-current assets and the acquisition of financial assets. In addition, net cash used in financing activities amounted to EUR 24.7 million (previous year: EUR 35.8 million), largely as a result of the repayment of loans.

### 3) Capital expenditure

The majority of capital expenditure in the financial year related to the following locations:

<b>Capital expenditure EUR million</b>	<b>3 months 2014</b>
AK Wandsbek (Hamburg)	2.5
AK Harburg (Hamburg)	2.4
AK Altona (Hamburg)	1.3
AK Barmbek (Hamburg)	0.9
Corporate headquarters, service operations, facilities (Hamburg)	0.9
AK St. Georg (Hamburg)	0.8
Brandenburg	0.8
Burglengenfeld	0.7
Lindau	0.7
Seligenstadt	0.7
Teupitz	0.7
Bad Tölz	0.6
Reichshof	0.6
Westklinikum (Hamburg)	0.6
Coswig	0.5
Lindenlohe	0.5

After deducting subsidised capital expenditure, net capital expenditure totalled EUR 25.8 million (previous year: EUR 27.8 million), or 3.4% of revenue (previous year: 3.9%). Capital expenditure is fully financed by cash flow from operating activities. Without deducting subsidies, capital expenditure amounted to EUR 44.0 million (previous year: EUR 55.4 million). This was 5.8% of revenue (previous year: 7.7%).

Maintenance and servicing expenses increased year on year from EUR 21.4 million to EUR 22.4 million. Expressed as a percentage of revenue, 3.0% (previous year: 3.0%) was invested in ongoing maintenance. Asklepios therefore used 6.4% (previous year: 6.9%) of revenue for internally financed capital expenditure and maintenance.

## F. Forecast and risk and opportunity management

### 1) Risk and opportunity management

Detailed explanations of the existing risk management system and the Group's unchanged risks and opportunities can be read in the 2013 Annual Report on pages 38 – 46.

### 2) Report on post-balance sheet date events and expected developments

No events significant for the assessment of the results of operations, financial position and net assets of the Asklepios Group occurred after 31 March 2014.

The business goals for 2014 include organic revenue growth in a range of around 2% to 4% and a slight but sustainable increase in EBIT/EBITDA compared to the previous year – as such, the Group will see margin growth before growth in terms of size. Market-leading clusters and integrated courses of treatment will secure an advantage over the competition when implementing these goals. The focus will also remain on the non-cyclical acute market. The equity ratio is expected to increase slightly in the 2014 financial year compared to the previous year.

The stated goal remains sustainable business success – particularly in the interests of the patients. The number of beds is to increase on a continual basis over the coming year on the basis of quality management (2013 report on quality of medical outcomes, 8th edition). Slight patient growth is expected on an ongoing basis, especially in out-patient care. There will also be greater focus on increasing patient numbers in inpatient care.

As well as financial figures, management will concentrate on two non-financial performance indicators when managing the company. Here, a slight year-on-year increase in the valuation ratio and securing/slightly increasing the number of beds is the priority. An unchanged stable level is expected based on the continued measures to increase the Group's efficiency initiated in 2013. The new compensation system in psychiatric care is expected to be implemented cautiously – certain risks exist here based on the performance of valuation ratios, for which the Group is preparing itself.

# Consolidated financial statements

## Consolidated income statement<sup>\*)</sup>

EUR'000	Note no.	3 months 2014	3 months 2013
Revenue	VI.1	753,658	723,967
Other operating income	VI.2	52,582	48,231
		<b>806,240</b>	<b>772,198</b>
Cost of materials		171,916	168,715
Personnel expenses		494,190	478,677
Other operating expenses	VI.3	76,092	72,141
<b>Operating result / EBITDA<sup>1)</sup></b>		<b>64,042</b>	<b>52,665</b>
Depreciation, amortisation and impairment – of intangible assets and of property, plant and equipment		27,061	26,093
<b>Operating result / EBIT<sup>2)</sup></b>		<b>36,981</b>	<b>26,572</b>
Interest and similar income		656	280
Interest and similar expenses		-9,176	-6,663
<b>Financial result</b>	VI.4	<b>-8,520</b>	<b>-6,383</b>
<b>Earnings before income taxes</b>		<b>28,462</b>	<b>20,189</b>
Income taxes	VI.5	-4,344	-4,508
<b>Consolidated interim income</b>		<b>24,117</b>	<b>15,681</b>
<i>of which attributable to the parent company</i>		20,302	14,352
<i>of which attributable to non-controlling interests</i>		3,815	1,329

<sup>1)</sup> Adjusted prior-year figures

<sup>1)</sup> Earnings before interest, taxes, depreciation and amortisation

<sup>2)</sup> Earnings before interest and taxes

## Consolidated statement of comprehensive income

EUR'000	3 months 2014	3 months 2013
<b>Consolidated interim income</b>	<b>24,117</b>	<b>15,681</b>
Change in fair value of cash flow hedges	69	282
Measurement of available-for-sale financial assets	11,800	70
Income taxes	-1,867	-56
<b>Total changes in value reclassified to profit or loss if certain conditions are met</b>	<b>10,002</b>	<b>296</b>
Change in actuarial gains (+) / losses (-) from defined benefit pension commitments and similar obligations	-30,031	-11,764
Income taxes	4,752	1,862
<b>Total changes in value not reclassified to profit or loss</b>	<b>-25,279</b>	<b>-9,902</b>
<b>Total changes in value recognised in equity (other comprehensive income)</b>	<b>-15,277</b>	<b>-9,606</b>
<b>Total comprehensive income (total consolidated interim income and other comprehensive income)</b>	<b>8,840</b>	<b>6,075</b>
<i>of which attributable to the parent company</i>	<i>11,651</i>	<i>7,689</i>
<i>of which attributable to non-controlling interests</i>	<i>-2,811</i>	<i>-1,614</i>

## Consolidated cash flow statement

EUR'000	Note no.	3 months 2014	3 months 2013
<b>Consolidated interim income</b>		<b>24,117</b>	<b>15,681</b>
Income taxes		4,344	4,508
Financial result		8,520	6,383
Amortisation and impairment of intangible assets and depreciation and impairment of property, plant and equipment		27,061	26,093
<b>Gross cash flow (EBITDA)</b>		<b>64,042</b>	<b>52,665</b>
Other non-cash transactions		-58	62
Changes in inventories, receivables and other assets		-24,729	-46,569
Changes in liabilities and provisions		35,316	19,583
Interest income		634	224
Income taxes paid	VI.5	-4,810	-7,967
<b>Net cash from operating activities</b>		<b>70,396</b>	<b>17,998</b>
Investments in property, plant and equipment and intangible assets		-25,774	-27,909
Proceeds from the disposal of non-current assets		807	709
Acquisitions of subsidiaries, equity investments and financial assets		-200	0
<b>Cash flow used in investing activities</b>		<b>-25,167</b>	<b>-27,200</b>
Borrowing (+) / repayment (-) of financial liabilities		-15,597	-10,800
Net cash used in hospital financing		-5,932	-15,231
Interest expenses	VI.4	-2,984	-3,103
Distributions		-166	-4,012
Acquisition of non-controlling interests		0	-2,667
<b>Cash flow from financing activities</b>		<b>-24,679</b>	<b>-35,813</b>
Changes in cash and cash equivalents		20,550	-45,015
Cash and cash equivalents at the start of the period		204,142	145,945
<b>Cash and cash equivalents at the end of the period</b>	VII.5	<b>224,692</b>	<b>100,930</b>

## Consolidated statement of financial position as at 31 March 2014<sup>\*)</sup>

EUR'000	Note no.	31 Mar. 2014	31 Dec. 2013
<b>ASSETS</b>			
<b>Non-current assets</b>			
Goodwill and other intangible assets	VII. 1	399,614	400,667
Property, plant and equipment	VII. 2	1,301,047	1,302,031
Investments accounted for using the equity method		3,572	3,372
Financial assets		165,385	153,584
Other financial assets		83,550	85,055
Trade receivables		433	359
Non-current income tax assets		1,834	2,194
Other assets		2,525	2,625
Deferred taxes		56,352	51,206
<b>Total non-current assets</b>		<b>2,014,312</b>	<b>2,001,093</b>
<b>Current assets</b>			
Inventories		107,764	90,194
Trade receivables		382,039	379,179
Current income tax assets		3,638	3,538
Other financial assets		68,845	69,142
Other assets		13,321	7,732
Cash and cash equivalents	VII. 5	224,692	204,142
<b>Total current assets</b>		<b>800,299</b>	<b>753,927</b>
<b>Total ASSETS</b>		<b>2,814,611</b>	<b>2,755,020</b>

<sup>\*)</sup> Adjusted prior-year figures



EUR'000	Note no.	31 Mar. 2014	31 Dec. 2013
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to the parent company</b>			
Issued capital		1,022	1,022
Reserves		707,171	615,434
Consolidated net income		20,302	100,408
Non-controlling interests		206,416	209,393
<b>Total equity</b>	VII. 3	<b>934,911</b>	<b>926,257</b>
<b>Non-current liabilities</b>			
Trade payables		105	107
Participation capital/subordinated capital	VII. 4	7,000	7,000
Financial liabilities		683,362	699,222
Finance lease liabilities		9,034	9,124
Pensions and similar obligations		150,053	119,512
Other provisions		266,050	263,289
Deferred taxes		32,600	31,016
Other financial liabilities		96,735	100,120
Other liabilities		14,006	14,997
<b>Total non-current liabilities</b>		<b>1,258,945</b>	<b>1,244,387</b>
<b>Current liabilities</b>			
Trade payables		67,524	73,606
Participation capital/subordinated capital	VII. 4	60,900	60,900
Financial liabilities		40,545	35,712
Finance lease liabilities		207	203
Pensions and similar obligations		3,181	2,898
Other provisions		97,879	97,095
Current income tax liabilities		6,387	6,413
Other financial liabilities		116,309	117,927
Other liabilities		227,823	189,622
<b>Total current liabilities</b>		<b>620,755</b>	<b>584,376</b>
<b>Total EQUITY AND LIABILITIES</b>		<b>2,814,611</b>	<b>2,755,020</b>

## Statement of changes in Group equity 2014

	Equity attributable to the parent company				Total	Non-controlling interests	Equity
	Issued capital	Revenue reserves	Fair value reserves	Consolidated net income			
<b>2014</b> EUR'000							
<b>As at 1 Jan. 2014</b>	<b>1,022</b>	616,631	-1,197	100,408	<b>716,864</b>	209,393	<b>926,257</b>
Consolidated interim income	0	0	0	20,302	<b>20,302</b>	3,815	<b>24,117</b>
Other comprehensive income	0	-18,653	10,002	0	<b>-8,651</b>	-6,626	<b>-15,277</b>
<b>Total comprehensive income</b>	<b>0</b>	<b>-18,653</b>	<b>10,002</b>	<b>20,302</b>	<b>11,651</b>	<b>-2,811</b>	<b>8,840</b>
Change in equity interests in consolidated companies	0	-20	0	0	<b>-20</b>	12	<b>-8</b>
Compensation payment obligations	0	0	0	0	<b>0</b>	-178	<b>-178</b>
Allocations to reserves	0	100,408	0	-100,408	<b>0</b>	0	<b>0</b>
<b>Total transactions recognised directly in equity</b>	<b>0</b>	<b>100,388</b>	<b>0</b>	<b>-100,408</b>	<b>-20</b>	<b>-166</b>	<b>-186</b>
<b>As at 31 Mar. 2014</b>	<b>1,022</b>	<b>698,366</b>	<b>8,805</b>	<b>20,302</b>	<b>728,495</b>	<b>206,416</b>	<b>934,911</b>

	Equity attributable to the parent company				Total	Non-controlling interests	Equity
	Issued capital	Revenue reserves	Fair value reserves	Consolidated net income			
<b>2013</b> EUR'000							
<b>As at 1 Jan. 2013</b>	<b>1,022</b>	556,248	-2,355	90,394	<b>645,309</b>	206,218	<b>851,527</b>
Consolidated interim income	0	0	0	14,352	<b>14,352</b>	1,329	<b>15,681</b>
Other comprehensive income	0	-6,950	296	0	<b>-6,654</b>	-2,952	<b>-9,606</b>
<b>Total comprehensive income</b>	<b>0</b>	<b>-6,950</b>	<b>296</b>	<b>14,352</b>	<b>7,698</b>	<b>-1,623</b>	<b>6,075</b>
Change in equity interests in consolidated companies	0	-982	0	0	<b>-982</b>	-1,685	<b>-2,667</b>
Compensation payment obligations	0	0	0	0	<b>0</b>	85	<b>85</b>
Allocations to reserves	0	90,394	0	-90,394	<b>0</b>	0	<b>0</b>
<b>Total transactions recognised directly in equity</b>	<b>0</b>	<b>89,412</b>	<b>0</b>	<b>-90,394</b>	<b>-982</b>	<b>-1,600</b>	<b>-2,582</b>
<b>As at 31 Mar. 2013</b>	<b>1,022</b>	<b>638,710</b>	<b>-2,059</b>	<b>14,352</b>	<b>652,025</b>	<b>202,995</b>	<b>855,020</b>

# Notes to the consolidated financial statements

## I. Basis of the consolidated interim financial statements

The Company is named Asklepios Kliniken Gesellschaft mit beschränkter Haftung (hereinafter also referred to as “AKG”, the “Company” or the “Group”), Rübenkamp 226, 22307 Hamburg (Germany), and is entered in the commercial register of the Hamburg District Court under HRB 98981. The Company was formed on 19 June 1985.

Asklepios Kliniken Gesellschaft mit beschränkter Haftung and its subsidiaries operate primarily on the German market in the clinical acute care and rehabilitation sectors as well as, to a very limited extent, in the nursing sector. The purpose of the Company is the acquisition and operation of and the provision of consulting services for healthcare institutions.

The Group operates facilities in numerous federal states in Germany. The Group structure is geared towards regional differences in terms of personnel and company law. The operating entities are mainly equity interests in the three sub-group interim financial statements of Asklepios Kliniken Verwaltungsgesellschaft mbH (“AKV”), Königstein im Taunus (100% equity interest), Asklepios Kliniken Hamburg GmbH (“AKHH”), Hamburg (74.9% equity interest), and MediClin Aktiengesellschaft, Offenburg (52.73% equity interest), that are included in the consolidated interim financial statements.

The Group also has selected foreign operations; to date, this relates almost exclusively to the investment in Greece (Athens Medical Center S.A., Athens).

## II. Accounting principles

The consolidated interim financial statements for the period as at 31 March 2014 have been prepared for the results of the first three months of 2014 in accordance with the requirements of IAS 34 and, pursuant to section 315a of the German Commercial Code (HGB), in accordance with the requirements of the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board valid at the end of the reporting period and endorsed by the European Union in the versions effective from 2014.

The fair value reserve changed by EUR 10,002 thousand in the reporting period, with a balance of EUR 8,805 thousand as at 31 March 2014 (31 December 2013: EUR -1,197 thousand).

The change in the fair value of cash flow hedges of EUR -474 thousand (previous year: EUR -542 thousand) and the measurement of financial assets of EUR 9,279 thousand (previous year: EUR -741 thousand) are recognised in this reserve.

### Presentation and reclassifications

For a transparent presentation of the results of operations, a portion of revenue was reclassified to other operating income in these financial statements. This primarily relates to income from rental and leasing, pharmacy

income and tuition fees. In total, EUR 36.9 million was reclassified to other operating income in the comparative period of the previous year.

The consolidated interim financial statements do not contain all of the information that is required in the consolidated financial statements prepared at the end of the financial year and should therefore be read in conjunction with the consolidated financial statements for the year ended 31 December 2013.

In order to prepare the consolidated interim financial statements, the accounting policies presented in detail in the 2013 consolidated financial statements were applied unchanged with the exception of the following IFRSs that were required to be applied for the first time as at 1 January 2014. For details, please refer to the corresponding explanations.

The following new versions and amendments of IFRS standards and interpretations have come into force but did not have any impact on the figures and disclosures made in the consolidated interim financial statements of the Group when they were applied for the first time, with the exception of the description of accounting policies:

- IFRS 10 – Consolidated Financial Statements
- IFRS 11 – Joint Arrangements
- IFRS 12 – Disclosure of Interests in Other Entities
- New version of IAS 27 – Separate Financial Statements
- New version of IAS 28 – Investments in Associates and Joint Ventures
- Amendments to IAS 32 – Financial Instruments – Offsetting Financial Assets and Financial Liabilities
- Amendments to IFRS 10 – Consolidated Financial Statements, IFRS 11 – Joint Arrangements, IFRS 12 – Disclosure of Interests in Other Entities – Transitional Provisions
- Amendments to IAS 36 – Impairment of Assets – Recoverable Amount Disclosures for Non-Financial Assets
- Amendments to IAS 39 – Financial Instruments – Recognition and Measurement – Novation of Derivatives and Continuation of Hedge Accounting

No changes were required in the consolidated Group on the basis of the regulations of IFRS 10.

The other new regulations have no impact on the disclosures in the interim financial statements.

The IASB draft on accounting for leases will result in a significant increase of the finance lease arrangements to be recognised in the Asklepios Group. This is expected to lead to an increase of non-current assets, standard market financial liabilities, total assets and, because of the omission of rental expenditure, an increase in EBITDA.

### III. Basis of consolidation

In addition to AKG as the ultimate parent, the consolidated Group also includes the subsidiaries over which AKG exercises control, either directly or indirectly. Subsidiaries are included in the consolidated financial statements by way of full consolidation from the date on which the Group obtains control, directly either or indirectly, meaning that it can control the financial and operating policy of the respective subsidiary.

Associates are entities over which the Group has significant influence but no control. Investments in associates are reported using the equity method.

As at 31 March 2014, Asklepios operates a total of 109 clinics and 33 additional healthcare facilities such as nursing homes, medical centres for shared practices and other medical centres. Asklepios has retained its investment in the Greek-based Athens Medical Center S.A. as a purely financial investment recognised using the equity method.

## IV. Business combination

### Acquisitions 2014

No business combinations had to be accounted for in 2014.

## V. Accounting methods

### 1) Goodwill and investments measured using the equity method

Goodwill and the carrying amounts of investments recognised using the equity method are tested for impairment once a year (as at 31 December). Impairment testing also takes place if circumstances indicate that the carrying amount may be impaired. The key assumptions used to determine the recoverable amount are explained in the consolidated financial statements as at 31 December 2013.

### 2) Sensitivity in relation to changes to the assumptions made

There were no significant changes as against the end of 2013 with regard to the calculation of value in use, the assumptions applied when calculating provisions, etc., with the exception of the assumptions and estimates regarding the defined-benefit pension obligation resulting from the termination with a pension institution and the change in the interest rate for pension provisions, which was set at 3.3% in this consolidated interim report (31 December 2013: 3.5%).

## VI. Selected notes to the consolidated interim income statement

### 1) Revenue

Revenue breaks down by business segment as follows:

EUR million	3 months 2014	3 months 2013
<b>Business segments</b>		
Acute clinic treatment	644.2	619.8
Post-acute and rehabilitation treatment	103.3	97.7
Social and welfare facilities	4.6	4.7
Other	1.6	1.8
<b>Total</b>	<b>753.7</b>	<b>724.0</b>

## 2) Other operating income

Other operating income breaks down as follows:

EUR million	3 months 2014	3 months 2013
Income from operations	18.2	13.0
Income ancillary, additional, and other operations	16.4	15.6
Income from cost reimbursements	7.6	6.9
Income from other grants	7.8	8.3
Miscellaneous other operating income	2.6	4.4
<b>Total</b>	<b>52.6</b>	<b>48.2</b>

Income from operations includes income from pharmacy sales.

Miscellaneous other income comprises various items from current operations.

## 3) Other operating expenses

Other operating expenses relate to:

EUR million	3 months 2014	3 months 2013
Maintenance and servicing	22.4	21.4
Rental expenditure	13.5	14.0
Taxes, duties and insurance (including outstanding claims reserves)	10.0	6.5
Contributions, consulting and audit fees	6.4	6.0
Office supplies, postage and telephone charges	5.2	5.1
Other administrative and IT expenses	4.1	3.8
Training expenses	3.0	3.2
Advertising and travel expenses	2.9	2.7
Other	8.6	9.4
<b>Total</b>	<b>76.1</b>	<b>72.1</b>

Other expenses comprise various items from current operations.

#### 4) Financial result

The financial result breaks down as follows:

EUR million	3 months 2014	3 months 2013
Interest income	0.7	0.3
Interest and similar expenses	-9.2	-6.7
<i>of which interest and expenses from subordinated loans</i>	-1.4	-1.4
<b>Financial result</b>	<b>-8.5</b>	<b>-6.4</b>

#### 5) Income taxes

Income taxes break down as follows:

EUR million	3 months 2014	3 months 2013
Current income taxes	-5.0	-4.8
Deferred income taxes	0.7	0.3
<b>Total</b>	<b>-4.3</b>	<b>-4.5</b>

The taxes paid in the period under review amounted to EUR 5.0 million (previous year: EUR 4.9 million).

## VII. Selected notes to the consolidated interim statement of financial position

### 1) Goodwill and other intangible assets

<b>2014</b> <b>EUR'000</b>	<b>Goodwill</b>	<b>Other intangible assets</b>	<b>Prepayments for intangible assets</b>	<b>Total</b>
<b>Cost</b>				
As at 1 Jan. 2014	367,664	79,260	14,893	461,817
Additions	243	776	12	1,031
Disposals	-525	-152	-292	-969
Reclassification	136	288	-273	151
<b>As at 31 Mar. 2014</b>	<b>367,518</b>	<b>80,172</b>	<b>14,340</b>	<b>462,030</b>
<b>Accumulated depreciation and impairment</b>				
As at 1 Jan. 2014	-15,565	-45,585	0	-61,150
Additions	0	-1,937	0	-1,937
Disposals	525	146	0	671
<b>As at 31 Mar. 2014</b>	<b>-15,040</b>	<b>-47,376</b>	<b>0</b>	<b>-62,416</b>
<b>Residual carrying amounts</b>				
As at 31 Dec. 2013	352,099	33,675	14,893	400,667
<b>As at 31 Mar. 2014</b>	<b>352,478</b>	<b>32,796</b>	<b>14,340</b>	<b>399,614</b>



## 2) Property, plant and equipment

<b>2014</b> EUR'000	<b>Land and buildings including buildings on third-party land</b>	<b>Technical equipment and machinery</b>	<b>Operating and office equipment</b>	<b>Assets under construction</b>	<b>Total</b>
<b>Cost</b>					
As at 1 Jan. 2014	1,438,989	97,973	407,328	55,353	1,999,643
Additions	2,350	578	8,991	12,824	24,743
Disposals	0	-183	-2,274	-9	-2,466
Reclassification	2,681	1,893	1,016	-5,741	-151
<b>As at 31 Mar. 2014</b>	<b>1,444,020</b>	<b>100,261</b>	<b>415,061</b>	<b>62,427</b>	<b>2,021,769</b>
<b>Accumulated depreciation and impairment</b>					
As at 1 Jan. 2014	-419,801	-43,200	-234,611	0	-697,612
Additions	-11,050	-1,877	-12,198	0	-25,125
Disposals	0	182	1,833	0	2,015
Reclassification	9	-7	-2	0	0
<b>As at 31 Mar. 2014</b>	<b>-430,842</b>	<b>-44,902</b>	<b>-244,978</b>	<b>0</b>	<b>-720,722</b>
<b>Residual carrying amounts</b>					
As at 31 Dec. 2013	1,019,188	54,773	172,717	55,353	1,302,031
<b>As at 31 Mar. 2014</b>	<b>1,013,178</b>	<b>55,359</b>	<b>170,083</b>	<b>62,427</b>	<b>1,301,047</b>

### 3) Equity

In accordance with IAS 1 (revised 2011), the development of equity is presented in a statement of changes in consolidated equity, which is a separate component of the interim financial statements. A remeasurement in accordance with IAS 19.8 in conjunction with a multiemployer plan led to actuarial losses of EUR 13.6 million in the first quarter of 2014. Adjusted for this non-recurring extraordinary item resulting from the precautionary recognition of actuarial risks, equity increased by EUR 21.9 million compared to 31 December 2013 to EUR 948.1 million. Accordingly, the adjusted equity ratio improved slightly to 33.7%.

### 4) Subordinated capital

Participation certificates issued by the Company with an average term to maturity of around nine years are recognised in subordinated capital. These are subordinated to all non-subordinated creditors but have the same standing as other participation certificate holders and rank above the shareholders, including shareholder loans made in lieu of equity.

The holder of the participation certificates can change the interest rate for a portion of the participation capital if certain key financial covenants are not complied with subject to the form of a key financial covenant. EUR 47 million of the participation capital is subject to a fixed interest rate. Participation capital is subject to a nominal and effective interest rate of 7.3%.

The other subordinated capital includes a subordinated shareholder loan amounting to EUR 20.9 million.

### 5) Cash and cash equivalents

Cash and short-term deposits are subject to floating interest rates. Short-term deposits are made for different periods of time depending on the Group's liquidity requirements. These are subject to interest at the respective interest rates applicable for short-term deposits. The fair value of cash and cash equivalents corresponds to their carrying amount.

### 6) Additional information on financial instruments

#### **Determination of fair value**

The following table shows financial instruments measured at fair value analysed in terms of measurement method. The different levels are as follows:

- Level 1: market prices (unadjusted) used on the active market for identical assets and liabilities
- Level 2: Inclusive data, apart from the level 1 market prices, that are observable for the assets and liabilities either directly (i.e. as price) or indirectly (i.e. derived from price)
- Level 3: inclusive data for assets and liabilities not based on market data (on this level, the Group's investments are reported at amortised cost, as no market price can be determined for them)

**31 Mar. 2014**

<b>EUR million</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Net total</b>
Financial assets	0.0	0.0	1.4	1.4
Securities	161.4	0.0	0.0	161.4
Financial liabilities	0.0	1.8	0.0	1.9

**31 Dec. 2013**

<b>EUR million</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Net total</b>
Financial assets	0.0	1.9	1.4	3.3
Securities	147.6	0.0	0.0	147.6
Financial liabilities	0.0	1.9	0.0	1.9

The fair value of financial instruments that are traded on the active market is based on the quoted market bid price at the close of business at the end of the reporting period. The market is considered active if quoted prices are readily and regularly available from an exchange, dealer, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

The fair value of financial instruments that are not traded on an active market is calculated using a valuation technique. Fair value is thus estimated on the basis of the results of a valuation technique that makes maximum use of market inputs, and relies as little as possible on entity-specific inputs. If all inputs required for measuring fair value are observable, the instrument is assigned to level 2.

If one or more significant inputs are not based on observable market data, the instrument is assigned to level 3. In the reporting period, there were no changes (additions, disposals, gains and losses or items to be recognised in OCI) to the financial assets assigned to level 3.

There were no transfers between the different measurement levels.

## 7) Additional information on financial instruments

Carrying amounts, amounts recognised and fair values by class and measurement category.

		Amount recognised in statement of financial position as per IAS 39						
	Measure- ment category as per IAS 39	Carrying amount 31 Mar. 2014	Amor- tised cost	Cost	Fair value with no effect on income	Fair value with effect on income	Amount recog- nised in state- ment of financial position as per IAS 17	Fair value 31 Mar. 2014
<b>2014</b>								
<b>EUR'000</b>								
<b>ASSETS</b>		<b>924,943</b>	<b>763,584</b>	<b>0</b>	<b>161,359</b>	<b>0</b>	<b>0</b>	<b>924,943</b>
Cash and cash equivalents	LaR	224,692	224,692	0	0	0	0	224,692
Trade receivables	LaR	382,472	382,472	0	0	0	0	382,472
Other financial assets	AfS	161,359	0	0	161,359	0	0	161,359
Other financial assets (derivatives)	n.a.	0	0	0	0	0	0	0
Other financial assets	LaR	156,420	156,420	0	0	0	0	156,420
<b>EQUITY AND LIABILITIES</b>		<b>1,083,566</b>	<b>1,081,722</b>	<b>0</b>	<b>1,844</b>	<b>0</b>	<b>9,242</b>	<b>1,110,000</b>
Trade payables	FLAC	67,629	67,629	0	0	0	0	67,629
Financial liabilities	FLAC	723,907	723,907	0	0	0	0	732,235
Participation capital/subordinated capital	FLAC	67,900	67,900	0	0	0	0	70,430
Finance lease liabilities	n.a.	9,242	9,242	0	0	0	9,242	9,242
Other financial liabilities (derivatives)	n.a.	1,844	0	0	1,844	0	0	1,844
Other financial liabilities	FLAC	213,044	213,044	0	0	0	0	228,620
<i>Of which: aggregated by measurement category according to IAS 39:</i>								
Loans and receivables	LaR	763,584	763,584	0	0	0	0	763,584
Available-for-sale financial assets	AfS	161,359	0	0	161,359	0	0	161,359
Financial liabilities measured at amortised cost	FLAC	1,072,480	1,072,480	0	0	0	0	1,098,914

**Amount recognised in statement of financial position  
as per IAS 39**

	Measure- ment category as per IAS 39	Carrying amount 31 Dec. 2013	Amor- tised cost	Cost	Fair value with no effect on income	Fair value with effect on income	Amount recog- nised in state- ment of financial position as per IAS 17	Fair value 31 Dec. 2013
<b>2013</b>								
<b>EUR'000</b>								
<b>ASSETS</b>		<b>891,461</b>	<b>741,902</b>	<b>0</b>	<b>147,635</b>	<b>1,924</b>	<b>0</b>	<b>891,461</b>
Cash and cash equivalents	LaR	204,142	204,142	0	0	0	0	204,142
Trade receivables	LaR	379,538	379,538	0	0	0	0	379,538
Other financial assets	AfS	149,074	1,439	0	147,635	0	0	149,074
Other financial assets (derivatives)	n.a.	1,924	0	0	0	1,924	0	1,924
Other financial assets	LaR	156,783	156,783	0	0	0	0	156,783
<b>EQUITY AND LIABILITIES</b>		<b>1,103,922</b>	<b>1,102,008</b>	<b>0</b>	<b>1,914</b>	<b>0</b>	<b>9,327</b>	<b>1,106,405</b>
Trade payables	FLAC	73,714	73,714	0	0	0	0	73,714
Financial liabilities	FLAC	734,934	734,934	0	0	0	0	734,934
Participation capital/subordinated capital	FLAC	67,900	67,900	0	0	0	0	70,383
Finance lease liabilities	n.a.	9,327	9,327	0	0	0	9,327	9,327
Other financial liabilities (derivatives)	n.a.	1,914	0	0	1,914	0	0	1,914
Other financial liabilities	FLAC	216,133	216,133	0	0	0	0	216,133
<i>Of which: aggregated by measurement category according to IAS 39:</i>								
Loans and receivables	LaR	740,463	740,463	0	0	0	0	740,463
Available-for-sale financial assets	AfS	149,074	1,439	0	147,635	0	0	149,074
Financial liabilities measured at amortised cost	FLAC	1,092,681	1,092,681	0	0	0	0	1,092,681

## Other notes

### 1) Contingent liabilities and other financial obligations

Other financial obligations break down as follows:

EUR'000	31 Mar. 2014	31 Dec. 2013
Rental and lease agreements	486,293	472,073
Capital commitments	45,658	46,498
Purchase commitment	32,430	38,145
Maintenance and supply agreements	39,260	35,639
Insurance contracts	1,608	2,171
Other	18,080	17,440
<b>Total</b>	<b>623,329</b>	<b>611,966</b>

The obligation arising from rental and lease agreements primarily relates to the real property of MediClin AG that is rented on a long-term basis, excluding obligations already recognised during purchase price allocation. The underlying rental agreements have a term until 31 December 2027. The agreements provide for an annual rent adjustment in the amount of the change in the German Consumer Price Index, but in any case no more than 2% p.a.

All other financial obligations are carried at their nominal amount and are due as follows:

EUR'000	
Less than one year	121,417
Between 2 and 5 years	168,793
More than 5 years	333,119
<b>Total</b>	<b>623,329</b>

## 2) Related party disclosures

For Asklepios Kliniken Gesellschaft mit beschränkter Haftung, related parties within the meaning of IAS 24.20 include entities controlled by the Group and/or entities over which the Group has a significant influence and vice versa. In particular, subsidiaries and equity investments are therefore defined as related parties.

Transactions with these companies are conducted at arm's-length conditions.

Dr Bernard gr. Broermann, Königstein-Falkenstein, is the sole shareholder of Asklepios Kliniken Gesellschaft mit beschränkter Haftung.

Compared with the consolidated financial statements as at 31 December 2013, there has been no change to the group of related parties and transactions with these parties in terms of the transaction type and the amount of the proportionate business volume. The same applies to the financial receivables and liabilities that existed with related parties.

To be mentioned in particular is the fact that Asklepios Kliniken Verwaltungsgesellschaft mbH has received a purchase offer for financial assets held by the company from a related party (a 100% subsidiary of the shareholder of Asklepios Kliniken Gesellschaft mit beschränkter Haftung). The related party is contractually obliged to commit to the purchase offer indefinitely. However, the related party can call on AKV in writing at any time to declare acceptance within a period of 30 days. Thereafter, the offer will expire without any further declaration. The hedging transaction is classified as a fair value hedge.

## 3) Consolidated cash flow statement

In the first quarter of 2014, cash and cash equivalents increased by EUR 20.6 million to EUR 224.7 million compared to 31 December 2013. Net cash from operating activities amounted to EUR 70.4 million and was considerably (EUR +52.4 million) higher than the previous year.

Net cash used in investing activities in the amount of EUR 25.2 million related primarily to capital expenditure. In addition, net cash used in financing activities amounted to EUR 24.7 million, largely as a result of repayments of financial liabilities.

## Disclaimer

This interim report includes forward-looking statements. Such forward-looking statements are based on certain assumptions and expectations at the time of publication of this report. They therefore involve risks and uncertainties, and the actual results may diverge considerably from those described in the forward-looking statements. Many of these risks and uncertainties are affected by factors that lie beyond Asklepios Kliniken GmbH's sphere of influence and that cannot be estimated with certainty from today's perspective. This includes future market conditions and economic developments, the conduct of other market participants, the achievement of expected synergy effects as well as decisions by legislators and policy makers. Asklepios Kliniken GmbH is not obliged to publish corrections to these forward-looking statements in order to reflect events or conditions occurring after the publication date of this material.

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