INTERIM REPORT
Q1 2014

RHÖN-KLINIKUM
AKTIENGESELLSCHAFT

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LETTER TO SHAREHOLDERS

Dear Shareholders,

For our Company, the first quarter of financial year 2014 coincides with a period of transition. It is strongly influenced by the transaction entered into with Fresenius/Helios.

After the Federal Cartel Office, at the end of November 2013, had initiated the main procedure under antitrust law, the possibility of the transaction being concluded for the main scope of the shares sold only in the first quarter of the current financial year had to be expected. And that is also how things turned out: after conclusion of the main examination procedure, the Federal Cartel Office at the end of February 2014 approved the transfer of a total of 40 hospitals as well as further subsidiary facilities to Fresenius/Helios. Before that, the antitrust filing had been adjusted with respect to three hospitals whose planned transfer had given rise to antitrust concerns.

For these facilities – which initially remained in our Company – efforts are being focused on finding a viable future concept for them in the long term. This concept will be geared to ensuring their care mandate, providing for future certainty and safeguarding the interests of patients and employees.

Upon closing of the transaction at the end of February 2014, the legal and actual transfer of most of the transaction-relevant shares hitherto held by RHÖN-KLINIKUM AG was made to Fresenius/Helios. The shares in the hospital in Salzgitter were transferred at the beginning of March 2014; transfer of the shares in Dr. Horst Schmidt Kliniken in Wiesbaden is planned for the end of May 2014 following approval by the City of Wiesbaden, the facility's majority shareholder. That would then conclude the transfer of all transaction-relevant facilities.

Beyond the redemption of financial liabilities and taking account of innovation-driven investments, we plan to pay out a large portion of the sale proceeds of some € 3.1 billion, notably up to € 1.9 billion (of which € 1.7 billion in the current year), to the shareholders. The Board of Management and the Supervisory Board therefore resolved to propose to the Annual General Meeting on 12 June 2014, in addition to the dividend of roughly € 35 million, to appropriate a further € 1.67 billion from the 2013 net distributable profit of RHÖN-KLINIKUM AG for a share buy-back followed by a capital reduction. The offer price per share, giving due regard to the then existing market environment, is to be within a corridor of between € 23.54 and € 25.19 – based on the share price for the three trading days immediately preceding the publication of the contemplated transaction (29 April 2014) and a premium of up to 7%. Further details are set out in the now published Invitation to the Annual General Meeting.

Against this background, the Management, in the first quarter of financial year 2014, has primarily focused its attention on the transaction's smooth and pragmatic implementation; in the end, the operative transfer of the sold hospitals took place for the most part without any complications. In addition, the corporate focus was turned to the five remaining sites that were to be re-oriented in terms of a homogeneous overall strategy of the Group, giving due regard to service volume-related and regional peculiarities as well as with the aim of achieving a successful medical and economic further development. Building upon this, the hospitals in Bad Berka, Bad Neustadt, Frankfurt (Oder), Gießen and Marburg provide the basis of a highly specialised hospital portfolio, thus continuing the success story of the individual facilities and the Company's demanding, dynamic prospects.

Parallel to that, the Company's organisation was adjusted in substance and scope to the new needs of a Company that, in future to an even greater extent, will be driven by innovation and geared to treatment excellence – albeit initially on a significantly smaller scale. The personnel adjustments entailed by this were designed in a balanced, flexible and individual manner, giving regard to the employees concerned; they have been largely completed.

The business figures of the first quarter noticeably reflect this special situation. The interim report for the first three months of the current financial year thus includes two months under full consolidation of the overall previous portfolios as well as the month of March which was included in the interim financial report adjusted for the conclusion of the transaction. In addition to that were numerous – primarily positive – one-off effects and burdens resulting from the transaction.

Bearing in mind this special situation, the Group's hospitals treated a total of 567,137 patients during the first quarter. Revenues stood at € 629.5 million. Earnings before interest, tax and depreciation/amortisation (EBITDA) total € 1,488.0 million on account of the high sale proceeds.

Also the further course of the financial year will continue to be influenced by the Company's structural re-orientation as well as additional short-term consequences of the transaction. In particular, the consolidation of Dr. Horst Schmidt Kliniken Wiesbaden continuing into the second quarter as well as the transition period that has to be borne in mind for implementing the future prospects of the three hospitals in Cuxhaven, Boizenburg and Waltershausen-Friedrichroda will impact the Company's figures.

In the first quarter of 2014, the Company successfully pressed ahead with intensive efforts to realise the particle therapy centre at the site of the university hospital in Marburg. In consultation with the Federal State of Hesse, Siemens AG as owner of the facility as well as with Heidelberg University Hospital, the key aspects regarding the acquisition and operation of the facility were defined. These key aspects are currently being specifically set out in contractual form. In the interests of long-term operating safety, the particle therapy centre in Marburg in future will be operated by a company jointly controlled by RHÖN-KLINIKUM AG and Universitätsklinikum Heidelberg – "Marburger Ionenstrahl-Therapiezentrum GmbH (MIT GmbH)". The tedious, lengthy process of commissioning is thus already under way; we expect to be able to treat the first patients using this path-breaking cancer treatment method in 2015.

Moreover, Company's fundamental change from a heterogeneous hospital group to an integrated healthcare services provider continues to move forward. In this connection, the concept being intensively pursued by the Company together with the network partners of networked medical care based on a supplementary insurance scheme will pave the way to a better competitive position and attractive growth prospects for the future.

Given the overall situation as described, however, we have decided not to issue any statements on revenue and earnings targets for the current financial year 2014.

For 2015, the Company's first full financial year under the new structure, we confirm our outlook for revenues in the range of € 1.06 billion to € 1.12 billion as well as earnings before interest, tax and depreciation/ amortisation (EBITDA) of between € 145 million and € 155 million. This outlook is subject to any regulatory measures that may impact the general environment of hospital financing in the coming year.

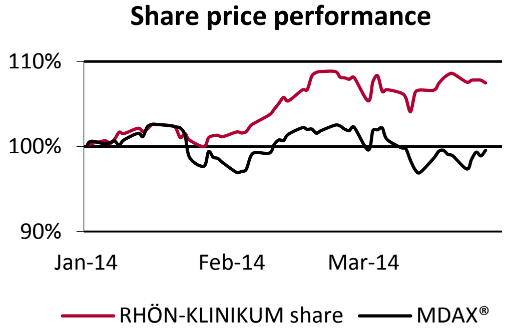
Yours sincerely,
RHÖN-KLINIKUM AG

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

THE RHÖN-KLINIKUM SHARE

During the first quarter of 2014 the trend on the international stock markets was rather volatile, above all in view of political uncertainties. Markets were on edge especially with concerns over the conflict between Russia and the Ukraine.

Amid this mixed environment, the German leading index DAX® moved in a range between just over 9,000 and highs of over 9,700 points. At the end of the quarter, the DAX® overall was back to the level seen at the beginning of the year (quarterly performance +0.04%). The MDAX® lost ground over the quarter, falling by roughly -0.7%, whereas the European indices recorded moderate gains (DJ EURO STOXX +2.4%, DJ EURO STOXX 50 +1.7%).



The share of RHÖN-KLINIKUM AG gained a further 9.4% during the first quarter of 2014, ending the quarter at a closing price of € 23.25. This outperformance was driven by company headlines on the ongoing development in the transaction with Fresenius. On 20 February 2014 it was announced that the Federal Cartel Office had given its final approval to the planned transaction and that the deal, including the transfer of nearly 40 hospitals to Fresenius/Helios, could go ahead.

RHÖN-KLINIKUM share		
ISIN		DE0007042301
Ticker symbol		RHK
Registered share capital		345,580,000 €
Number of shares		138,232,000
	31 March 2014	**31 Dec. 2013**
Market capitalisation (€ m)	3,213.89	2,938.81
Share prices (€)	**1 Jan.-31 Mar. 2014**	**1 Jan.-31 Dec. 2013**
Closing price	23.25	21.26
High	23.52	21.49
Low	21.62	14.60

At the end of the quarter our market capitalisation, including all issued 138.23 million non-par shares, stood at € 3.2 billion (31 December 2013: € 2.9 billion). In the MDAX® we thus ranked 24th by market capitalisation (31 December 2013: 23rd).

The next Annual General Meeting will take place on Thursday, 12 June 2014 at 10.00 a.m. (doors open from 9.00 a.m.) at the Jahrhunderthalle in Frankfurt/Main. On 8 August 2014 we will publish the Half-Year Financial Report as at 30 June 2014.

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

GROUP INTERIM REPORT OF THE MANAGEMENT

REPORT ON THE FIRST QUARTER OF FINANCIAL YEAR 2014

- In the first quarter, RHÖN-KLINIKUM AG sold a portfolio of 40 facilities, medical care centres (MVZs) and other affiliated interests to HELIOS Kliniken GmbH and Fresenius SE & Co. KGaA. Taking account of the valuation under German antitrust law, the hospitals in Cuxhaven, Waltershausen-Friedrichroda and Boizenburg were not sold to Fresenius/Helios. For the facilities of Dr. Horst Schmidt Kliniken in Wiesbaden, approval by the City of Wiesbaden has not yet been given, which is why they continue to be included in our consolidated financial statements. The sites in Bad Neustadt, Bad Berka, Frankfurt (Oder) as well as Universitätsklinikum Gießen und Marburg are excluded from the transaction. With these five sites, RHÖN-KLINIKUM AG is forming a new, highly specialised hospital portfolio with an innovation-driven focus on treatment excellence.

- From the sale of the subsidiaries under the transaction with Fresenius/Helios, we report income of € 1,425.9 million in the first quarter of 2014.

- In the first three months of 2014, we generated revenues of € 629.5 million (same period last year: € 752.2 million) and EBITDA influenced by the transaction of € 1,488.0 million (same period last year: € 74.9 million) as well as a net consolidated profit of € 1,397.6 million (same period last year: € 24.3 million).

BASIC PRINCIPLES OF THE RHÖN-KLINIKUM GROUP

The abridged interim consolidated financial statements of RHÖN-KLINIKUM AG for the year ended 31 March 2014 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 Standards (IFRS) of the International Accounting Standards Board (IASB) as well as the related Interpretations of the International Financial Reporting Interpretations Committee (IFRIC), which are the subject of mandatory adoption in accordance with the Regulation No 1606/2002 of the European Parliament and of the Council on the application of international accounting standards in the European Union in financial year 2014.

The accounting and valuation methods applied, to the extent already applied in financial year 2013 and consistently applied in financial year 2014, are set out in detail in the Consolidated Financial Statement of RHÖN-KLINIKUM AG as at 31 December 2013. The accounting and valuation methods applicable in principle for the first time in financial year 2014 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 connection with the share purchase agreement entered into between RHÖN-KLINIKUM AG, HELIOS Kliniken GmbH and Fresenius SE & Co. KGaA, 40 hospitals were directly transferred to Fresenius/Helios in the first quarter of 2014. The subsidiaries not yet effectively sold as at the key date of 31 March 2014 were reported separately in the Consolidated Balance Sheet under separate current balance sheet items – on both the assets and liabilities side – as assets and liabilities held for sale applying IFRS 5. On the assets side, € 141.9 million was reclassified from non-current assets to current assets, and on the liabilities side € 65.1 million from non-current debt capital to current debt capital.

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.

CORPORATE GOVERNANCE

The composition of our Board of Management has remained unchanged since the 2013 Annual Report.

With effect from 28 February 2014, Ms. Annett Müller and Mr. Werner Prange left our Supervisory Board because of the transaction. They were succeeded to the Supervisory Board by Mr. Oliver Salomon with effect from 9 April 2014 and by Mr. Klaus Hanschur with effect from 17 April 2014 as representatives of the employees.

The notifications pursuant to section 21 et seq. of the Securities Trading Act (Wertpapierhandelsgesetz, WpHG) that we received in the first quarter of 2014 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 and on our website.

On 29 April 2014, the Declaration on Corporate Governance and the Corporate Governance Report jointly issued by the Board of Management and the Supervisory Board were updated and published on our homepage. All other elements of our corporate constitution have remained unchanged during the financial year to date. In this regard we refer to our explanations provided in the Management Report of the Consolidated Financial Statements of financial year 2013.

ECONOMIC REPORT

MACROECONOMIC AND INDUSTRY ENVIRONMENT

The good business situation of German companies saw a further moderate improvement, as currently indicated by the Business Climate Index for the month of April 2014. It once again rose in April and reveals a stable German economy. Companies are once again more confident in their expectations for the coming months. One risk to the positive trend in the German economy is the weak trend in prices which, if it became deflationary, would hamper economic performance. Uncertainty over the development in the Ukraine is currently not yet being reflected in economic performance. However, the ongoing tensions between the Ukraine and Russia do represent a risk to the European economy.

The trend in the economy is reviving the German employment market. Employment is picking up strongly, helped by the very mild weather during the winter months. Unemployment and underemployment further declined in April 2014 as a result of seasonal factors. The number of unemployed persons fell sharply in April and the German Federal Employment Agency expects to see a further decline over the next months. The jobless rate thus dipped to 6.8% in April.

The consumer price index as calculated by the Federal Statistical Office is expected to stand at 1.3% in Germany for April compared with the same month last year, thus weakening slightly compared with the previous months.

Given changes in demographics, we expect demand for hospital services to continue to rise in the current year 2014 and in the coming years. However, this rising demand is not being fully reflected in terms of remuneration since under the well-known statutory provisions price discounts have to be accepted for surplus service volumes demanded and rendered – irrespective of whether or not these have been agreed. On the cost side we expect that the year 2014 will also see rises in wages and the cost of materials of over 2% to 3% which will not be offset on the revenue side.

According to forecasts for 2013, the statutory health insurance funds and the Central Health Fund are once again witnessing record surpluses. The remuneration of hospitals did see a slight improvement with the new provisions on the orientation value (*Orientierungswert*) introduced at the beginning of August 2013. The purpose of the orientation value, to be calculated by the German Federal Statistical Office (Destatis) from the trend of various cost components, is to define the scope of price adjustments for hospital services. Originally, it was to completely replace the rate of change in aggregate income (*Grundlohnrate*) as the assessment basis. Under the new provision, however, the orientation value is compared with the rate of change in aggregate income, with the higher value being applied. For the year 2014 the rate of change in aggregate income will be applied.

In addition, during financial year 2014 hospitals have to accept a discount of 25% on so-called surplus service volumes agreed with the health insurance funds. For surplus service volumes not agreed, the statutory provisions provide for discounts of 65.0%. Based on price increases at the upper end of the original assumptions of 2.0% to 3.0% for personnel expenses and a capped price increase rate included in the state base rates, earnings will have to cope with further charges that will have to be offset accordingly.

Irrespective of the wage gap in the personnel area, the recruitment of top-qualified staff will be one of the challenges to be met in future given the emerging shortage in specialised personnel and demographic trends. We are confronting not only this task, but also increasing calls by employees to be given the opportunity of achieving a better balance between professional and family life, with specific measures targeted at improving our attractiveness as an employer in healthcare.

For the healthcare environment in Germany and in particular for the hospitals, additional efficiency reserves must be available or hospitals will have to be able to unlock these efficiency reserves through suitable investment measures. If this does not happen, existing earnings and margin pressures will further persist.

As a result, the trend of selection amongst service providers will continue and intensify. In our view, only those hospitals that are able to continually expand their service portfolio while at the same time improving the quality of clinical processes for patients can look forward to a sustainable and independent existence on the market. We review and optimise our processes and strategies on a continuous basis. Building on that, we will make a Group-wide response to the challenges of healthcare policy. We therefore see ourselves in a very good position in terms of our growth prospects, also for the coming year.

BUSINESS PERFORMANCE

Overall statement on economic position

January through March	2014	2013	Change	
	€ m	€ m	€ m	%
Revenues	629.5	752.2	-122.7	-16.3
EBITDA	1,488.0	74.9	1,413.1	N.A.
EBIT	1,473.8	39.9	1,433.9	N.A.
EBT	1,418.1	29.7	1,388.4	N.A.
Operating cash flow	1,411.2	59.5	1,351.7	N.A.
Net consolidated profit	1,397.6	24.3	1,373.3	N.A.

Helped by the sale of the hospital subsidiaries to Fresenius/Helios for the most part at the end of February 2014, and accompanied by income from the sale amounting to € 1,425.9 million, we reported an increase in EBITDA by € 1,413.1 million, an increase in EBIT by € 1,433.9 million and an increase in net consolidated profit by € 1,373.3 million.

For the RHÖN-KLINIKUM Group, the first quarter of 2014 thus had a decisive impact and lends itself to only limited comparison with the first quarter of the previous year.

For several years, the conditions within the hospital sector have been the same. The ever widening gap between revenues and costs within the hospital sector has been having an impact on the operating side. We, as the RHÖN-KLINIKUM Group, will concentrate on the remaining hospitals and forge ahead with the integration of the remaining facilities of cutting-edge medicine.

In the first quarter, the adjustment of our Group to the new structure has given rise to additional planned burdens as well as to additional extraordinary burdens as a result of the sale process and the impending transactions, for example in the form of additional consulting fees.

Trend in service volumes

	Hospitals	Beds
As at 31 December 2013	**54**	**17,113**
Change in capacities	-40	-10,282
As at 31 March 2014	**14**	**6,831**

As at 31 March 2014 our consolidated financial statement includes 14 hospitals with 6,831 beds/places at a total of 9 sites in six federal states. The decline compared with the reporting date of 31 December 2013 stems from the effective sale of 40 hospitals with 10,282 beds/places to Fresenius/Helios in the first quarter of 2014.

As at 31 March 2014, we operate 15 MVZs with a total of 97.00 specialist physician practices:

Date	MVZs	Specialist physician practices
As at 31 December 2013	**39**	**179.00**
Opened/acquired		
58 sites	-	4.50
Disposals		
Various sites	-24	-86.50
As at 31 March 2014	**15**	**97.00**

Disposals relate to 24 medical care centres (MVZs) with a total of 86.50 specialist doctor's practices sold to Fresenius/Helios in connection with the share purchase agreement in the first quarter of 2014.

Patient numbers at our hospitals and MVZs developed as follows:

January through March	2014	2013	Change absolute	%
Inpatient and day-case treatments,				
acute hospitals	152,758	192,275	-39,517	-20.6
rehabilitation hospitals and other facilities	2,346	2,832	-486	-17.2
	155,104	195,107	-40,003	-20.5
Outpatient attendances at our				
acute hospitals	254,448	300,054	-45,606	-15.2
MVZs	157,585	175,516	-17,931	-10.2
	412,033	475,570	-63,537	-13.4
Total	**567,137**	**670,677**	**-103,540**	**-15.4**

In the first three months of financial year 2014, a total of 567,137 patients (down by -103,540 patients or -15.4%) were treated in the Group's hospitals and MVZs. The decline is attributable to the sale of hospital subsidiaries to Fresenius/Helios at the end of February 2014 (inclusion in scope of consolidation based on two months).

Per-case revenues in the inpatient and outpatient area were as follows:

January through March	2014	2013
Case revenue		
inpatient (€)	3,781	3,612
outpatient (€)	105	100

Results of operations

January through March	2014 € m	2013 € m	Change € m	Change %
Income				
Revenues	629.5	752.2	-122.7	-16.3
Other income	48.5	51.9	-3.4	-6.6
Total	**678.0**	**804.1**	**-126.1**	**-15.7**
Expenditure				
Materials and consumables used	166.1	195.3	-29.2	-15.0
Employee benefits expense	386.4	459.7	-73.3	-15.9
Other expenditure	63.4	74.2	-10.8	-14.6
Total	**615.9**	**729.2**	**-113.3**	**-15.5**
Discontinued activities	**1,425.9**	**0.0**	**1,425.9**	**N.A.**
EBITDA	**1,488.0**	**74.9**	**1,413.1**	**N.A.**
Depreciation	14.2	35.0	-20.8	-59.4
EBIT	**1,473.8**	**39.9**	**1,433.9**	**N.A.**
Financial result	55.7	10.2	45.5	446.1
EBT	**1,418.1**	**29.7**	**1,388.4**	**N.A.**
Income taxes	20.5	5.4	15.1	279.6
Net consolidated profit	**1,397.6**	**24.3**	**1,373.3**	N.A.

Essentially as a result of the sale of 40 hospitals, medical care centres and other affiliated interests to Fresenius/Helios for the most part at the end of February 2014 (inclusion in consolidated financial statement based on two months), we reported, compared with the first three months of financial year 2013, in conjunction with

- a decline in income (revenues, other income) by € 126.1 million or 15.7% to € 678.0 million,
- a decline in expenditure (materials and consumables expense, employee benefits expense, other expenditure) by € 113.3 million or 15.5% to € 615.9 million, and
- income from the transaction with Fresenius/Helios (discontinued company activities) amounting to € 1,425.9 million,

an increase in EBITDA by € 1,413.1 million to € 1,488.0 million, an increase in EBIT by € 1,433.9 million to € 1,473.8 million, and an increase in net consolidated profit by € 1,373.3 million to € 1,397.6 million.

January through March	2014 %	2013 %
Cost of materials ratio	26.4	26.0
Personnel cost ratio	61.4	61.1
Other cost ratio	10.1	9.9
Depreciation and amortisation ratio	2.3	4.7
Financial result ratio	8.8	1.3
Tax expenditure ratio	3.3	0.7

Compared with the same period last year, the materials and consumables expense item declined in the first three months of financial year 2014 from € 195.3 million by € 29.2 million or 15.0% to € 166.1 million as a result of the sale of hospital subsidiaries at the end of February 2014. The cost-of-materials ratio edged up from 26.0% to 26.4% as a result of use of articles entailing higher material costs at our facilities of cutting-edge medicine.

The employee benefits expense and other expenditures declined compared with the first three months of 2013 likewise as a result of the sale of hospital subsidiaries to Fresenius/Helios. Whilst employee benefits expenses declined by € 73.3 million or 15.9%, we record in other expenditures a decline by € 10.8 million or 14.6%. The personnel cost ratio rose slightly from 61.1% to 61.4% and other expenditure ratio from 9.9% to 10.1%.

From the sale of the subsidiaries under the transaction with Fresenius/Helios, income of € 1,425.9 million was generated in the first quarter of 2014.

The depreciation item declined compared with the same period of the previous year by € 20.8 million or 59.4% to € 14.2 million. The decline is attributable to the sale of hospital subsidiaries to Fresenius/Helios as well as the adjustments in connection with IFRS 5. Pursuant to IFRS 5, non-current assets may not be amortised as long as they are classified as assets held for sale.

Compared with the same period last year, we recorded a rise in our negative financial result by € 45.5 million in the first three months of financial year 2014. The rise is attributable to the early redemption of financial liabilities and the accompanying breakage costs (prepayment fees).

As at 31 March 2014, net debt to banks – including finance lease liabilities – was € 0.0 million (31 December 2013: € 730.6 million) and breaks down as follows:

	31 March 2014	31 Dec. 2013
	€ m	€ m
Cash	2,579.0	156.9
Current financial liabilities	4.7	121.1
Non-current financial liabilities	434.9	750.8
Finance lease liabilities	40.7	41.1
Financial liabilities	480.3	913.0
Subtotal	-2,098.7	756.1
Negative market value of derivatives (current)	0.0	0.0
Negative market value of derivatives (non-current)	-0.5	-25.5
Total	-2,099.2	730.6
Net financial debt	**0.0**	**730.6**

Including held-for-sale assets and liabilities

At an unchanged rate of taxation, the income tax expense item rose as a result of the transaction by € 15.1 million to € 20.5 million (previous year: € 5.4 million) compared with same period of the previous year.

Compared with the same period last year, net consolidated profit of the first three months rose by € 1,373.3 million to € 1,397.6 million (previous year: € 24.3 million).

Non-controlling interests in profit rose compared with the same period last year by € 0.7 million to € 1.3 million.

The interest of RHÖN-KLINIKUM AG shareholders in profit for the first three months of 2014 rose by € 1,396.3 million compared with the same period last year. The interest in profit of the shareholders corresponds to earnings per share of € 10.10 (previous year: € 0.17) in accordance with IAS 33.

The total result (sum of net consolidated profit and other earnings) stood at € 1,418.6 million (previous year: € 27.2 million) in the three months of financial year 2014. Whereas in the previous year, positive changes in the market values of our financial instruments of € 3.5 million (after tax) as well as actuarial losses of € 0.6 million (after tax) were recognised directly at equity, positive changes for our financial instruments to the tune of € 21.1 million (after tax) resulting from the redemption of the respective underlying transaction also had to be recognised directly at equity in the first three months of the current financial year.

Net assets and financial position

	31 March 2014		31 December 2013	
	€ m	%	€ m	%
ASSETS				
Non-current assets	877.0	22.3	886.9	28.6
Current assets	3,052.1	77.7	2,211.3	71.4
	3,929.1	**100.0**	**3,098.2**	**100.0**
SHAREHOLDERS' EQUITY AND LIABILITIES				
Shareholders' equity	3,071.8	78.2	1,666.7	53.8
Long-term loan capital	433.7	11.0	742.6	24.0
Short-term loan capital	423.6	10.8	688.9	22.2
	3,929.1	**100.0**	**3,098.2**	**100.0**

Compared with the balance sheet date of 31 December 2013, the balance sheet total rose by € 830.9 million or 26.8% to € 3,929.1 million. The rise essentially is the result of the liquidity generated from the sale of hospital subsidiaries to Fresenius/Helios, comparing with corresponding disposals of assets and liabilities of the effectively sold subsidiaries and redemptions of financial liabilities.

In connection with the share purchase agreement between RHÖN-KLINIKUM AG, HELIOS Kliniken GmbH and Fresenius SE & Co. KGaA and the application of IFRS 5 relating thereto, the assets and liabilities of the hospital subsidiaries not yet effectively sold were reported separately in the Consolidated Balance Sheet under separate current balance sheet items – on both the assets and liabilities side. On the assets side, € 141.9 million was reclassified from non-current assets to current assets, and on the liabilities side € 65.1 million from non-current debt capital to current debt capital.

We financed our equity-financed investments amounting to € 16.3 million fully from operating cash flow of € 1,411.2 million generated in the first three months.

As a result of the transaction, the equity capital ratio rose compared with the last reporting date from 53.8% to 78.2%.

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

Shareholders' equity	2014			2013
	Shareholders	Non-controlling interests	Total	Total
	€ m	€ m	€ m	€ m
As at 1 January	**1,645.0**	**21.7**	**1,666.7**	**1,606.9**
Equity capital transactions with owners	0.0	0.0	0.0	0.0
Total result of the period	1,417.3	1.3	1,418.6	27.8
Other changes	0.0	-13.5	-13.5	0.0
As at 31 March	**3,062.3**	**9.5**	**3,071.8**	**1,634.7**

As at 31 March 2014, equity stands at € 3,071.8 million (31 December 2013: € 1,666.7 million). The increase in equity capital by € 1,405.1 million stems from net consolidated profit for the first three months of financial year 2014 (€ 1,397.6 million) as well as from the recognition of positive effects of financial derivatives designated as interest-rate hedging instruments resulting from the redemption of the respective underlying transaction (€ 21.1 million), which compare with changes in the scope of consolidation (€ 13.6 million).

399.7% (31 December 2013: 271.7%) of non-current assets is nominally covered by equity and non-current liabilities at fully matching maturities. The rise results from the sale of hospital subsidiaries to Fresenius/Helios. Net financial debt declined since the last reporting date from € 730.6 million to € 0.0 million as at 31 March 2014 as a result of the payment received from the sale of hospital subsidiaries to Fresenius/Helios.

Our key financial ratios developed as follows:

	31 March 2014	31 Dec. 2013
Net financial liabilities in € m at reporting date (incl. finance lease liabilities	0.0	730.6
EBITDA (€ m)	1,688.5 *	275.4 **
Net interest expenditure in € m (excluding mark-up/discount of financial instruments)	83.6 *	38.1 **
Net financial debt/EBITDA	0.00	2.65
EBITDA/net interest expenditure	20.20	7.23

*) Period from 1 April 2013 - 31 March 2014
**) Period from 1 January 2013 - 31 December 2013

Compared with the same period last year, operating cash flow, calculated from net consolidated profit plus depreciation/ amortisation and net of other non-operating items (balance of profits and losses from disposals of assets, income from the market valuation of derivatives), rose by € 1,351.7 million to € 1,411.2 million (previous year: € 59.5 million) as a result of the sale of hospital subsidiaries to Fresenius/Helios.

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

January through March	**2014 € m**	**2013 € m**
Cash generated from operating activities	0.2	1.6
Cash generated/utilised in investing activities	2,858.6	-21.1
Cash used in financing activities	-397.0	-28.2
Change in cash and cash equivalents	**2,461.8**	**-47.7**
Cash and cash equivalents at 1 January	116.8	219.9
Cash and cash equivalents as at 31 March	**2,578.6**	**172.2**
of which held-for-sale cash and cash equivalents as at 31 March	8.0	-
of which cash and cash equivalents not held for sale as at 31 March	**2,570.6**	**172.2**

Investments

Aggregate investments of € 21.6 million (previous year: € 23.6 million) in the first three months of financial year 2014 are shown in the following table:

	Use of		
	Gov't grants €m	Own funds €m	Total €m
Current capital expenditure	5.3	16.0	21.3
Takeovers	0.0	0.3	0.3
Total	**5.3**	**16.3**	**21.6**

Of these investments made in the first three months, € 5.3 million was attributable to investments funded from grants under the Hospital Financing Act (KHG) (previous year: € 4.0 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
Bad Berka	4.1
Gießen, Marburg	3.1
Bad Neustadt	2.4
Frankfurt/Oder	0.3
Other sites	6.1
Total	**16.0**

Under company purchase agreements entered into we still in principle have outstanding investment obligations of € 126.8 million until 2022. The obligations relate to companies whose assets and liabilities classified as held for sale. After all conditions of validity have been met, these obligations will be transferred to Fresenius/Helios.

Employees

Employees	31 March 2014	31 Dec. 2013	Change absolute	%
Hospitals	17,464	37,996	-20,532	-54.0
MVZs	508	999	-491	-49.1
Service companies	1,957	4,368	-2,411	-55.2
Total	**19,929**	**43,363**	**-23,434**	**-54.0**

On 31 March 2014, the Group employed 19,929 persons (31 December 2013: 43,363). The decline results from the sale of hospital subsidiaries to Fresenius/Helios in the first quarter of 2014.

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. 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. In this regard the new Act Removing Excessive Social Burdens in Contribution Liabilities in Health Insurance (Gesetz zur Beseitigung sozialer Überforderung bei Beitragsschulden in der Krankenversicherung, KVBeitrSchG) does not change anything from a structural standpoint.

We continue to be steadfast in our efforts at reviewing and optimising our processes and strategies. Also after the sale to Fresenius/Helios, we are continuing our activities to optimise our sites by conducting reviews of their service portfolios and identifying performance potential. Under the new structure, we will now concentrate on expanding our competencies in cutting-edge medical care with our ten hospitals at five sites. We are convinced that our strategic re-orientation and the current format of our company will give us an even greater competitive edge and open up a further successful chapter in German hospital history.

In this regard we consider the concept of networked medical care as an opportunity for our Group that we are now specifically implementing in practice. Essentially it provides for the creation of a national network of providers in which all outpatient, inpatient and rehabilitation services are provided.

The opportunities will lie in the close integration of our top hospitals, accompanied by a high level of medical quality at an affordable price level, characterised by a close integration of treatment, research and teaching, and serve as a stimulator and driver of network medical care with attractive earnings and growth prospects.

We now have the opportunity to effect a complete bottom-top overhaul of the Company's structures and thus to make the Group leaner, more efficient and more uniform without thereby depriving our hospitals of the necessary degree of operative independence.

In terms of an overall assessment, we see our Group in very good shape with revenues of roughly one billion euros that we are targeting with roughly 15,000 employees in ten hospitals at five sites. In future, too, we will continue to be one of the largest hospital operators in Germany, albeit no longer with a heterogeneous profile but a clearly focused orientation instead.

To this end we avail ourselves of all opportunities presented to us and thus counteract the potential risks with a practised and functioning risk management system at our hospitals, MVZs and service companies.

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 2013. 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.

REPORT ON EVENTS AFTER THE BALANCE SHEET DATE

In financial year 2010, RHÖN-KLINIKUM AG had successfully placed on the market a bond with a volume of € 400.0 million and a maturity of six years (ISIN XS0491047154). The coupon of the bond is 3.875%. On 27 March 2014, RHÖN-KLINIKUM AG submitted a public bond tender offer at a price of 106.1%. The tender period ran until 16 April 2014, and the redemption took place on 24 April 2014. 61.95% of the outstanding nominal amount of this bond was redeemed, with the result that € 152.2 million of non-current liabilities remain on the market from this bond as at 24 April 2014.

After intense preliminary discussions with the Federal State of Hesse, Siemens AG as owner of the facility as well as with Heidelberg University Hospital, the key aspects regarding the purchase and operation of the particle therapy facility at the Marburg site as well as the usage concept at Marburg University Hospital were defined. These key aspects will be set out in binding agreements over the next few weeks. To secure the operation of the particle therapy facility in the long term, a joint venture is planned with Heidelberg University Hospital in the form of “Marburger Ionenstrahl-Therapiezentrum

GmbH (MIT GmbH)". After conclusion of the negotiations in the second quarter of 2014 as well as the subsequent process of commissioning, we will be able to treat the first patients using this globally leading cancer treatment facility in 2015.

The Board of Management and the Supervisory Board on the one hand propose to this year's Annual General Meeting, which will be held on 12 June 2014, to distribute a dividend of roughly € 34.6 million or € 0.25 as in the previous year; and on the other recommend to the Annual General Meeting to make a payment to the shareholders out of the proceeds from the transaction with Fresenius/Helios of up to roughly € 1.7 billion in a 2014 Share Buy-Back. The shares bought back are to be redeemed and the registered share capital reduced accordingly, thus taking account of the Company's smaller size. The offer price for the share buy-back will be defined by the resolution on the offer document for the public purchaser offer. The offer price per share, giving due regard to the then existing market environment, is to be within a corridor of between € 23.54 and € 25.19 – based on the share price for the three trading days immediately preceding the publication of the project (29 April 2014) and a premium of up to 7%.

In the event that the share buy-back should not be performed within certain time limits, an additional dividend of € 12.08 per share will be distributed as an alternative. All details on the resolutions proposed to the Annual General Meeting are described at length in the Invitation to the 2014 Annual General Meeting.

FORECAST

We are focusing on expanding competencies oriented on cutting-edge medical care while remaining one of the largest hospital operators in Germany. Our high level of investments, which were financed from the surpluses generated by our hospitals, is what forms the basis of sustainable, efficient and thus also affordable hospital care. In this regard we deliberately focus on the real needs of patients and create the basis for the patient-oriented, open medical care of tomorrow.

The sale of a total of 40 hospitals to Fresenius/ Helios initiated in financial year 2013 was another path-breaking chapter in the long-standing success story of our Company. The transaction sets the stage for the re-orientation of our Group – with a lean portfolio and new strategy. In this context, the focus on cutting-edge medical care backed by university medical science will further strengthen our core philosophy of providing outstanding medical care for all.

For financial year 2014, we see the RHÖN-KLINIKUM Group in future with roughly 5,300 beds in ten hospitals at five sites in four federal states. We will reach the forecast for revenues of roughly one billion euros with roughly 15,000 employees.

It is not possible to provide an outlook for our result in financial year 2014 given the influence of the structural re-orientation as well as additional short-term extraordinary effects resulting from the transaction. Moreover, the sale of Dr. Horst Schmidt Kliniken extending into the second quarter as well as the efforts to explore the strategic prospects of the three facilities objected to under antitrust law will make themselves felt in the subsequent months. As a consequence, RHÖN-KLINIKUM AG will not state any targets for revenues and earnings for the current financial year 2014.

For 2015, the Company's first full financial year under the new structure, we confirm our outlook for revenues in the range of € 1.06 billion to € 1.12 billion as well as earnings before interest, tax and depreciation/ amortisation (EBITDA) of between € 145 million and € 155 million. This outlook is subject to any regulatory measures that may impact the general environment of hospital financing in the coming year.

Bad Neustadt a. d. Saale, 14 May 2014

RHÖN-KLINIKUM Aktiengesellschaft

THE BOARD OF MANAGEMENT

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	2014		2013	
	€ '000	%	€ '000	%
Revenues	629,481	100.0	752,184	100.0
Other income	48,520	7.7	51,882	6.9
	678,001	**107.7**	**804,066**	**106.9**
Materials and consumables used	166,103	26.4	195,260	26.0
Employee benefits expense	386,403	61.4	459,695	61.1
Other expenses	63,358	10.1	74,252	9.9
	615,864	**97.8**	**729,207**	**96.9**
Discontinued activities	**1,425,846**	**226.5**	**0**	**0.0**
Interim result				
(EBITDA)	**1,487,983**	**236.4**	**74,859**	**10.0**
Depreciation/amortisation and impairment	14,214	2.3	34,998	4.7
Operating result (EBIT)	**1,473,769**	**234.1**	**39,861**	**5.3**
Finance expenses	56,710	9.0	10,553	1.4
Finance income	1,004	0.2	411	0.1
Financial result	**55,706**	**8.8**	**10,142**	**1.3**
Earnings before tax (EBT)	**1,418,063**	**225.3**	**29,719**	**4.0**
Income taxes	20,469	3.3	5,468	0.7
Net consolidated profit	**1,397,594**	**222.0**	**24,251**	**3.3**
of which				
non-controlling interests	**1,318**	**0.2**	**599**	**0.1**
shareholders of RHÖN-KLINIKUM AG	**1,396,276**	**221.8**	**23,652**	**3.2**
Earnings per share in €				
undiluted	**10.10**		**0.17**	
diluted	**10.10**		**0.17**	

January through March	2014	2013
	€ '000	€ '000
Net consolidated profit	**1,397,594**	**24,251**
of which		
non-controlling interests	1,318	599
shareholders of RHÖN-KLINIKUM AG	1,396,276	23,652
Change in fair value of derivatives used for hedging purposes	25,012	4,189
Income taxes	-3,958	-663
Other result (cash flow hedges) subsequently reclassified to income statement if certain conditions have been met	**21,054**	**3,526**
Change in actuarial gains/losses from defined benefit and defined contribution pension commitments	0	-702
Income taxes	0	111
Other result (actuarial gains/losses) not subsequently reclassified to the income statement	**0**	**-591**
Other result *	**21,054**	**2,935**
of which		
non-controlling interests	0	-4
shareholders of RHÖN-KLINIKUM AG	21,054	2,939
Total result	**1,418,648**	**27,186**
of which		
non-controlling interests	1,318	595
shareholders of RHÖN-KLINIKUM AG	1,417,330	26,591

* Sum of value changes recognised directly at equity

Consolidated Balance Sheet at 31 March 2014

	31 March 2014		31 December 2013	
	€ '000	%	€ '000	%
ASSETS				
Non-current assets				
Goodwill and other intangible assets	162,662	4.1	163,113	5.2
Property, plant and equipment	704,103	17.9	711,908	23.0
Investment property	3,160	0.1	3,195	0.1
Income tax receivables	6,752	0.2	6,684	0.2
Deferred tax assets	0	0.0	1,643	0.1
Other financial assets	10	0.0	138	0.0
Other assets	263	0.0	237	0.0
	876,950	**22.3**	**886,918**	**28.6**
Current assets				
Inventories	19,205	0.5	21,145	0.7
Accounts receivable	168,634	4.3	160,479	5.2
Other financial assets	44,161	1.1	10,871	0.3
Other assets	17,541	0.5	8,659	0.3
Current income taxes receivable	4,235	0.1	5,050	0.2
Cash and cash equivalents	2,570,634	65.4	29,851	1.0
Held-for-sale assets	227,709	5.8	1,975,216	63.7
	3,052,119	**77.7**	**2,211,271**	**71.4**
	3,929,069	**100.0**	**3,098,189**	**100.0**

	31 March 2014		31 December2013	
	€ '000	%	€ '000	%
SHAREHOLDERS' EQUITY AND LIABILITIES				
Shareholders' equity				
Subscribed capital	345,580	8.8	345,580	11.2
Capital reserve	395,994	10.1	395,994	12.8
Other reserves	2,320,789	59.1	903,459	29.1
Treasury shares	-76	0.0	-76	0.0
Equity attributable to shareholders of RHÖN-KLINIKUM AG	3,062,287	78.0	1,644,957	53.1
Non-controlling interests in equity	9,487	0.2	21,730	0.7
	3,071,774	**78.2**	**1,666,687**	**53.8**
Non-current liabilities				
Financial liabilities	408,658	10.4	720,388	23.3
Deferred tax liabilities	2,607	0.1	0	0.0
Provisions for post-employment benefits	651	0.0	555	0.0
Other financial liabilities	21,585	0.5	21,388	0.7
Other liabilities	162	0.0	287	0.0
	433,663	**11.0**	**742,618**	**24.0**
Current liabilities				
Financial liabilities	904	0.0	116,367	3.8
Accounts payable	72,797	1.9	73,420	2.4
Current income tax liabilities	11,919	0.3	606	0.0
Other provisions	16,110	0.4	16,170	0.5
Other financial liabilities	122,886	3.1	41,728	1.3
Other liabilities	85,081	2.2	78,207	2.5
Held-for-sale liabilities	113,935	2.9	362,386	11.7
	423,632	**10.8**	**688,884**	**22.2**
	3,929,069	**100.0**	**3,098,189**	**100.0**

Consolidated Changes in Equity

	Subscribed capital	Capital reserve	Retained earnings	Cash flow-hedges (OCI)	Treasury shares	attributable to shareholders- of RHÖN-KLINIKUM AG	Non-controlling interests in equity [1)]	Shareholders' equity
	€ '000	€ '000	€ '000	€ '000	€ '000	€ '000	€ '000	€ '000
Balance at 31 Dec. 2012/1 Jan. 2013 before adjustment	**345,580**	**395,994**	**871,305**	**-30,907**	**-76**	**1,581,896**	**25,560**	**1,607,456**
Accounting changes based on IAS 19 R (2011)	-	-	-587	-	-	-587	-4	-591
Balance at 31 Dec. 2012/1 Jan. 2013 after adjustment	**345,580**	**395,994**	**870,718**	**-30,907**	**-76**	**1,581,309**	**25,556**	**1,606,865**
Equity capital transactions with owners								
Capital contributions	-	-	-	-	-	0	62	62
Capital payments	-	-	-	-	-	0	-	0
Dividend payments	-	-		-	-	0	-	0
Total result	-	-	23652	3,526	-	27,178	599	27,777
Balance at 31 March 2013	**345,580**	**395,994**	**894,370**	**-27,381**	**-76**	**1,608,487**	**26,217**	**1,634,704**
Balance at 31 Dec. 2013/1 Jan. 2014	**345,580**	**395,994**	**924,323**	**-20,864**	**-76**	**1,644,957**	**21,730**	**1,666,687**
Equity capital transactions with owners								
Capital contributions	-	-	-	-	-	0	-	0
Capital payments	-	-	-	-	-	0	-	0
Dividend payments	-	-		-	-	0		0
Total result	-	-	1,396,276	21,054	-	1,417,330	1,318	1,418,648
Other changes						0		
Changes in scope of consolidation	-	-	-	-	-	0	-13,561	-13,561
Balance as at 31 March 2014	**345,580**	**395,994**	**2,320,599**	**190**	**-76**	**3,062,287**	**9,487**	**3,071,774**

[1)] Including other comprehensive income (OCI)

Consolidated Cash Flow Statement

January through March	2014 € m	2013 € m
Earnings before taxes	-7.8	29.7
Financial result (net)	55.6	10.2
Impairment and gains/losses on disposal of assets	13.5	35.2
Non-cash valuations of financial derivatives	0.1	0.0
	61.4	**75.1**
Change in net current assets		
Change in inventories	3.3	2.3
Change in accounts receivable	-9.6	-32.9
Change in other financial assets and other assets	-27.1	-3.4
Change in accounts payable	-10.0	-8.8
Change in other net liabilities/ Other non-cash transactions	10.9	19.3
Change in provisions	-0.8	0.3
Income taxes paid	-3.2	-27.6
Interest paid	-24.7	-22.7
Cash generated from operating activities	**0.2**	**1.6**
Investments in property, plant and equipment and in intangible assets	-40.3	-25.9
Government grants received to finance investments in property, plant and equipment and in intangible assets	5.3	4.0
Acquisition of subsidiaries, net of cash acquired	-0.3	-0.1
Disposal of subsidiaries, net of cash sold	2,887.8	-
Sale proceeds from disposal of assets	5.1	0.5
Interest received	1.0	0.4
Cash generated/utilised in investing activities	**2,858.6**	**-21.1**
Payments on contracting of non-current financial liabilities	0.0	23.7
Repayment of financial liabilities	-349.1	-52.0
Redemption payments for financial liabilities	-45.5	-
Payments to non-controlling interests in equity/ contributions from non-controlling interests in equity	-2.4	0.1
Cash used in financing activities	**-397.0**	**-28.2**
Cash and cash equivalents at 1 January	116.8	219.9
Cash and cash equivalents as at 31 March	**2,578.6**	**172.2**
of which held-for-sale cash and cash equivalents as at 31 March	8.0	-
of which cash and cash equivalents not held for sale as at 31 March	**2,570.6**	**172.2**

Abridged Notes

GENERAL INFORMATION

On 13 September 2013, RHÖN-KLINIKUM AG, HELIOS Kliniken GmbH and Fresenius SE & Co. KGaA signed a share purchase agreement for the sale of a portfolio of 43 facilities, medical care centres (MVZs) and other affiliated interests. Taking account of the updated valuation under German antitrust law within the scope of the overall transaction, the hospitals in Cuxhaven, Waltershausen-Friedrichroda and Boizenburg were removed from the application submitted to the German Cartel Office. These facilities were not transferred to Fresenius; consequently the remaining portfolio to be sold comprised 40 hospitals. Approval by the competent antitrust authorities was issued on 20 February 2014. All conditions of validity were fulfilled at the end of February. As a result, a large portion of the entities concerned by the transaction were transferred to Fresenius/Helios. Where approval by the majority shareholders or former municipal owners had been submitted for certain facilities, these were also transferred.

The sites in Bad Neustadt, Bad Berka, Frankfurt (Oder) as well as Universitätsklinikum Gießen und Marburg are excluded from the transaction. RHÖN-KLINIKUM AG continues to form an independent, homogenous corporate group focusing on medical excellence and high-quality cutting-edge medicine. On that basis RHÖN-KLINIKUM AG wishes to continue serving as a model and trailblazer for high-quality cutting-edge medicine.

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 14 May 2014 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 2014 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 Standards and Interpretations below, the same accounting, valuation and calculation methods were applied in the Interim Consolidated Financial Statements as in the Consolidated Financial Statements for the financial year ending on 31 December 2013.

Amendments to IFRS 10, IFRS 11, IFRS 12, IAS 27 (revised 2011), IAS 28 (revised 2011) and IAS 36 are to be applied for annual periods beginning on or after 1 January 2014. These amendments have no material impact on the presentation of the net assets, financial position and results of operations.

In December 2011, the IASB published the amendment "Offsetting Financial Assets and Financial Liabilities" with respect to IAS 32. The amendment of IAS 32 clarifies details in connection with the criteria "right of settlement in all circumstances" and "simultaneous settlement". The amendments are to be applied for annual periods beginning on or after 1 January 2014. These amendments have no material impact on the presentation of the net assets, financial position and results of operations.

SCOPE OF CONSOLIDATION

The ultimate parent company is RHÖN-KLINIKUM Aktiengesellschaft with its registered office in Bad Neustadt a. d. Saale. The scope of consolidation is as follows:

	31 December 2013	Additions	Disposals	31 March 2014
Fully consolidated subsidiaries	100	1	-60	41
At-equity consolidated	2	0	-1	1
Other subsidiaries	9	0	-3	6
Scope of consolidation	**111**	**1**	**-64**	**48**

Fully consolidated subsidiaries are all companies (including special-purpose entities) in which the Group exercises "control" within the meaning of IFRS 10 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. Other subsidiaries are companies whose individual or overall impact on the net assets and results of operations is not material; these are included in the consolidated financial statement at the lower of cost or fair value.

The addition in the first quarter results from the newly founded subsidiary MVZ Waltershausen-Friedrichroda GmbH. This new entity was founded in connection with the sale of the hospital subsidiaries to Fresenius/Helios. The disposals of hospital subsidiaries relate to 40 hospitals, MVZs and other affiliated interests transferred under the transaction to Fresenius/Helios.
Of the remaining 48 subsidiaries, 13 entities are to be classified as held-for-sale pursuant to IFRS 5. This is attributable to the fact that:

- approval by the former municipal owner is still outstanding,
- three hospitals and their subsidiaries were removed from the filing with the Federal Cartel Office and are to be sold to a third party,
- transfer of the doctor's practices has not yet taken place with legally valid effect, with the result that the conditions of validity have not yet been fully met.

We assume that the transfer of these hospital subsidiaries will take place within the next few months.

Company acquisitions

In financial year 2014, one clinical doctor's practice was purchased for which the conditions of validity as per agreement were satisfied on 1 January 2014. 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 2014:

Purchase of doctor's practices, January to March 2014	**Fair value post acquisition €m**
Acquired assets and liabilities	
Intangible assets	0.0
Property, plant and equipment	0.1
Net assets acquired	**0.1**
+ goodwill	0.2
Cost	**0.3**
- purchase price payments outstanding	0.0
- acquired cash and cash equivalents	0.0
Cash outflow on transaction	**0.3**

Discontinued activities

On 13 September 2013, RHÖN-KLINIKUM AG, HELIOS Kliniken GmbH and Fresenius SE & Co. KGaA signed a share purchase agreement for the sale by RHÖN-KLINIKUM AG of a portfolio of 43 facilities, medical care centres and other affiliated interests to Helios and affiliated companies. The sites in Bad Neustadt, Bad Berka, Frankfurt (Oder) as well as Universitätsklinikum Gießen und Marburg are excluded from the transaction. Taking account of the updated valuation under German antitrust law within the scope of the overall transaction, the hospitals in Cuxhaven, Waltershausen-Friedrichroda and Boizenburg were removed from the application submitted to the German Cartel Office. These facilities were not transferred to Fresenius; consequently the remaining portfolio to be sold comprises 40 hospitals. That also holds true for some MVZ subsidiaries that are related to the hospitals concerned by region or concept. Approval by the competent antitrust authority was issued on 20 February 2014. All conditions of validity were fulfilled at the end of February 2014. Where approvals by the majority shareholders or former municipal owners had been submitted for certain facilities, these were likewise transferred to Fresenius in the first quarter. Guarantee obligations under the sale were recognised accordingly. The effects of the hospital subsidiaries transferred to Fresenius as at 31 March 2014 are set out below:

Discontinued activities	**amount, € m**
Assets and liabilities sold	
Non-current assets	
Goodwill, other intangible assets as well as property, plant & equipment	1,251
Other financial assets, other assets and investment property	3
Current assets	
Inventories	32
Accounts receivable	232
other financial assets and other assets	112
Cash and cash equivalents	113
Non-current liabilities	
Financial liabilities	-2
Provisions for post-employment benefits	-6
Deferred tax liabilities	-10
Current liabilities	
Financial liabilities	-3
Accounts payable	-57
Current income tax liabilities	-10
Provisions	-7
Other financial liabilities, other liabilities	-114
Net assets sold	**1,534**
Disposal of non-controlling interests in sale	**-13**
Prorated net assets of the Group	**1,521**
Sale proceeds from discontinued activities	3,034
Income from disposal of discontinued company activities	**1,513**
- sold cash and cash equivalents	-113
Inflow of cash and cash equivalents	**2,921**
- purchase price payments outstanding	-33
Cash generated from from discontinued activities	**2,888**

Held-for-sale assets and liabilities

Since the transaction has not yet been fully completed, the entities not yet sold will continue to be reported as held-for-sale assets and liabilities. As part of the adjustment to IFRS 5, the assets and liabilities held for sale relating to the companies intended to be sold were reclassified in the balance sheet accordingly and reported under a separate balance sheet item on the assets and liabilities side in each case. Since the net fair value less costs to sell was lower than the carrying amount of the assets and liabilities held for sale, an impairment of € 86.7 million was effected. Following the adoption of IFRS 5, deferred tax was transferred to loss carry-forwards through profit or loss already in 2013 provided the latter were forfeited in connection with the transaction. Pursuant to IFRS 5, non-current assets may not be amortised as long as they are classified as assets held for sale. The breakdown of the original balance sheet items is shown below:

Held-for-sale assets as at 31 March 2014	€ m
Non-current assets	
Goodwill and other intangible assets	95.1
Gooddwill amortisation	-86.7
Property, plant and equipment	129.0
Investment property	
Income tax receivables	0.3
Deferred tax assets	3.9
Other financial assets	0.2
Other assets	0.1
	141.9
Current assets	
Inventories	5.4
Accounts receivable	50.9
Other financial assets	18.1
Other assets	2.5
Current income taxes receivable	0.5
Cash and cash equivalents	8.4
	85.8
Total of held-for-sale financial assets	**227.7**

Held-for-sale liabilities as at 31 March 2014	€ m
Non-current liabilities	
Financial liabilities	26.3
Provisions for post-employment benefits	0.0
Other financial liabilities	38.8
Other liabilities	
	65.1
Current liabilities	
Financial liabilities	3.8
Accounts payable	13.0
Current income tax liabilities	0.4
Other provisions	0.7
Other financial liabilities	13.5
Other liabilities	17.4
	48.8
Total of held-for-sale liabilities	**113.9**

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	2014 € m	2013 € m
Fields		
acute hospitals	605.6	725.9
Medical care centres	13.3	14.4
rehabilitation hospitals	10.6	11.9
	629.5	**752.2**
Federal states		
Bavaria	112.3	135.6
Saxony	65.7	99.5
Thuringia	72.4	79.9
Baden-Wuerttemberg	21.7	33.0
Brandenburg	32.7	31.5
Hesse	205.8	208.7
Mecklenburg-West Pomerania	1.6	1.7
Lower Saxony	78.8	109.9
North Rhine-Westphalia	16.1	20.5
Saxony-Anhalt	22.4	31.9
	629.5	**752.2**

According to IAS 18, revenues constitute revenues generated from the provision of services and declined compared with the same period last year by € 122.7 million or 16.3% to € 629.5 million as a result of the sale of hospitals, MVZs and other affiliated interests to Fresenius/Helios for the most part at the end of February 2014 (inclusion in consolidated financial statements based on two months).

Other income

January through March	2014 € m	2013 € m
Income from services rendered	38.6	41.8
Income from grants and other allowances	4.2	4.5
Income from adjustment of receivables	1.2	0.9
Income from indemnification payments/Other	0.3	0.5
Other	4.2	4.2
	48.5	**51.9**

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 semi-retirement schemes and maternity leave, and for other subsidised measures).

Compared with the same period last year, other income diminished by € 3.4 million or 6.6% to € 48.5 million. The decline is attributable to the sale of hospitals, MVZs and other affiliated interests to Fresenius/Helios for the most part at the end of February 2014.

Other expenditures

January through March	2014 € m	2013 € m
Maintenance	19.4	22.5
Charges, subscriptions and consulting fees	13.7	18.0
Administrative and IT costs	4.9	5.6
Impairment on receivables	4.6	3.4
Insurance	5.0	4.7
Rents and leaseholds	4.7	5.2
Travelling, entertaining and representation expenses	1.2	1.6
Other personnel and continuing training costs	2.7	3.5
Losses on disposal of non-current assets	0.1	0.4
Secondary taxes	0.3	0.3
Other	6.8	9.0
	63.4	**74.2**

In the first three months of 2014, other expenditures declined compared with the same period last year by € 10.8 million or 14.6% to € 63.4 million as a result of the sale of hospitals, MVZs and additional affiliated interests to Fresenius/Helios for the most part at the end of February 2014.

Discontinued activities

January through March	2014 € m	2013 € m
Unrealised profit from disposal of subsidiaries transferred by the end of the quarter	1,512.6	-
Impairment on the subsidiaries still intended for sale	-86.7	-
	1,425.9	-

From the sale of the hospital subsidiaries transferred under the transaction with Fresenius/Helios by the end of the quarter, an unrealised profit of € 1,512.6 million was generated. On the assets of the remaining subsidiaries still intended for sale, an impairment of € 86.7 million was effected since the net fair value less costs to sell was lower than the carrying values.

Depreciation

Compared with the same period last year, the depreciation/amortisation item declined by € 20.8 million (or 59.4%) to € 14.2 million. The decline is attributable to the sale of hospital subsidiaries to Fresenius/Helios as well as adjustments in connection with IFRS 5. Pursuant to IFRS 5, non-current assets may not be amortised as long as they are classified as assets held for sale.

Financial result

Compared with the same period last year, we recorded a rise in our negative financial result by € 45.5 million to € 55.7 million in the first three months of financial year 2014. Of this rise, € 45.5 million is accounted for by the early redemption of financial liabilities and the write-back of financial derivatives. The financial result includes profit shares at companies accounted for using the equity method in the amount of € 25,000 (previous year: profit shares of € 29,000).

Income taxes

January through March	2014 € m	2013 € m
Current income tax	16.7	5.6
Deferred taxes	3.8	-0.2
	20.5	**5.4**

At an unchanged rate of taxation, the income tax expense item rose as a result of the transaction and disposal by € 15.1 million to € 20.5 million (previous year: € 5.4 million) compared with same period of the previous year.

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 2014	**413.8**	**62.2**	**476.0**
Additions due to changes in scope of	0.3	0.0	0.3
Additions	0.0	0.4	0.4
Disposals	251.1	28.6	279.7
Transfers	0.0	0.2	0.2
31 March 2014	**163.0**	**34.2**	**197.2**
Cumulative depreciation and impairment			
1 January 2014	**0.0**	**48.3**	**48.3**
Depreciation	0.0	0.6	0.6
Disposals	0.0	22.8	22.8
31 March 2014	**0.0**	**26.1**	**26.1**
Subtotal as at 31 March 2014	**163.0**	**8.1**	**171.1**
Held-for-sale financial assets	7.0	1.4	8.4
Balance sheet value at 31 March 2014	**156.0**	**6.7**	**162.7**

	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 consolida	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**

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 2014	**2,152.5**	**96.1**	**604.3**	**90.7**	**2,943.6**
Additions	1.7	0.1	6.0	7.8	15.6
Disposals	1,169.8	53.5	326.8	43.5	1,593.6
Transfers	27.7	0.4	4.5	-32.8	-0.2
31 March 2014	**1,012.1**	**43.1**	**288.0**	**22.2**	**1,365.4**
Cumulative depreciation and impairment					
1 January 2014	**558.5**	**55.0**	**413.4**	**0.0**	**1,026.9**
Depreciation	6.7	0.7	6.2	0.0	13.6
Disposals	252.0	33.8	222.4	0.0	508.2
31 March 2014	**313.2**	**21.9**	**197.2**	**0.0**	**532.3**
Balance sheet value at 31 March 2014	**698.9**	**21.2**	**90.8**	**22.2**	**833.1**
Held-for-sale assets	**103.5**	**2.7**	**18.6**	**4.2**	**129.0**
Balance sheet value at 31 March 2014	**595.4**	**18.5**	**72.2**	**18.0**	**704.1**

	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**

Interests in companies accounted for using the equity method at € 256,000 (31 December 2013: € 283,000) 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 2013 by € 1,405.1 million to € 3,071.8 million results from net consolidated profit for the first three months of financial year 2014 (€ 1,397.6 million) and from the recognition of positive changes in the effects of financial derivatives designated as interest-rate hedging instruments (€ 21.1 million) as a result of the redemption of the underlying transaction, which compare with changes in the scope of consolidation (€ 13.6 million).

Financial debt and financial derivatives

In financial year 2012, RHÖN-KLINIKUM AG entered into a revolving syndicated line of credit in the amount of € 350 million with a term until 2017. In the first quarter, this line of credit will be completely repaid and terminated.

The institution rating of RHÖN-KLINKUM AG by the rating agency Moody's with the credit opinion Baa3 (negative outlook) of 19 December 2012 was withdrawn as at 2 May 2014 in the context of the very successful bond repurchase. The cost-benefit aspects in the wake of the transaction with Fresenius/Helios were decisive for this decision. On the basis of the changed financial profile, the stable business model as well as the excellent reputation on the banking and capital markets, RHÖN-KLINIKUM AG sees itself in a very good position to successfully implement any future financings on attractive terms, even without a public rating.

Up to 31 March 2014, promissory note loans amounting to € 165.0 million as well as a further loan in a total volume of € 127.1 million were redeemed early. Where interest hedging instruments had been entered into in connection with these liabilities, they were also terminated. As at the quarterly key date, there was still a bullet loan in the amount of € 10.0 million maturing in 2017. Interest hedging transactions were recognised in the revaluation reserve in the amount of € 0.2 million and with earnings decreasing effect in the amount of € 0.1 million. The interest hedging transaction relates to an entity reported as held-for-sale.

In financial year 2010, RHÖN-KLINIKUM AG had successfully placed on the market a bond with a volume of € 400.0 million and a maturity of six years (ISIN XS0491047154). The coupon of the bond is 3.875%. On 27 March 2014, RHÖN-KLINIKUM AG submitted a public bond tender offer at a price of 106.1%. The tender period ran until 16 April 2014, and the redemption took place on 24 April 2014. 61.95% of the outstanding nominal amount of this bond was redeemed, with the result that € 152.2 million of non-current liabilities remain on the market from this bond.

Additional disclosures regarding financial instruments

The table below presents the carrying amounts and fair values of the individual financial assets and liabilities for each individual category of financial instruments and transfers these to the corresponding balance sheet item:

	Measurement category according to IAS 39	31 March 2014	of which financial instruments Carrying amount	of which financial instruments Fair value	31 Dec. 2013	of which financial instruments Carrying amount	of which financial instruments Fair value
		€ m	**€ m**	**€ m**	**€ m**	**€ m**	**€ m**
ASSETS							
Non-current assets							
Other financial assets		**0.0**	0.0	0.0	**0.1**	0.1	0.1
of which investments	Available-for-sale financial assets	**0.0**	0.0	0.0	**0.0**	0.0	0.0
of which derivative financial instruments (HFT)	Financial assets measured at fair value through profit or loss	**0.0**	0.0	0.0	**0.1**	0.1	0.1
of which other	Loans + receivables	**0.0**	0.0	0.0	**0.0**	0.0	0.0
Current assets							
Accounts receivable and other financial assets		**212.8**	212.8	212.8	**171.4**	171.4	171.4
of which accounts receivable and other financial assets	Loans + receivables	**212.8**	212.8	212.8	**171.4**	171.4	171.4
of which securities (HfT)	Financial assets measured at fair value through profit or loss	**0.0**	0.0	0.0	**0.0**	0.0	0.0
of which derivative financial instruments (HfT)	Financial assets measured at fair value through profit or loss	**0.0**	0.0	0.0	**0.0**	0.0	0.0
Cash and cash equivalents	Loans + receivables	**2,570.6**	2,570.6	2,570.6	**29.9**	29.9	29.9
SHAREHOLDERS' EQUITY AND LIABILITIES							
Non-current liabilities							
Financial liabilities		**408.7**	408.7	398.9	**720.4**	720.4	685.5
of which financial liabilities	Financial liabilities measured at amortised cost	**408.7**	408.7	398.9	**695.4**	695.4	660.5
of which derivative financial instruments (hedge accounting)	n.a.	**0.0**	0.0	0.0	**25.0**	25.0	25.0
Other financial liabilities		**21.6**	21.6	24.2	**21.4**	21.4	23.2
of which other financial liabilities	Financial liabilities measured at amortised cost	**21.6**	21.6	24.2	**21.4**	21.4	23.2
of which under finance leases	n.a.	**0.0**	0.0	0.0	**0.0**	0.0	0.0
Current liabilities							
Accounts payable	Financial liabilities measured at amortised cost	**72.8**	72.8	72.8	**73.4**	73.4	73.4
Financial liabilities		**0.9**	0.9	0.9	**116.4**	116.4	116.4
of which financial liabilities	Financial liabilities measured at amortised cost	**0.9**	0.9	0.9	**116.4**	116.4	116.4
of which derivative financial instruments (HfT)	Liabilities measured at fair value through profit or loss	**0.0**	0.0	0.0	**0.0**	0.0	0.0
Other financial liabilities		**122.9**	122.9	122.9	**41.7**	41.7	41.7
of which other financial liabilities	Financial liabilities measured at amortised cost	**122.9**	122.9	122.9	**41.7**	41.7	41.7
of which under finance leases	n.a.	**0.0**	0.0	0.0	**0.0**	0.0	0.0
Aggregated according to measurement categories, the above figures are as follows:							
	Loans + receivables		2,783.4	2,783.4		201.3	201.3
	Available-for-sale financial assets		0	0		0	0
	Financial assets measured at fair value through profit or loss		0.0	0.0		0.1	0.1
	Financial liabilities measured at amortised cost		626.9	619.7		948.3	915.2

The table below presents the carrying amounts and fair values of the individual financial assets and liabilities for each individual category of financial instruments and transfers these to the assets and liabilities held for sale shown in the Notes:

	Measurement category according to IAS 39	31 March 2014	of which financial instruments Carrying amount	of which financial instruments Fair value	31 Dec. 2013	of which financial instruments Carrying amount	of which financial instruments Fair value
		€ m	€ m	€ m	€ m	€ m	€ m
ASSETS							
Non-current assets							
Other financial assets		**0.2**	0.2	0.2	**0.5**	0.5	0.5
of which investments	available-for-sale financial assets	**0.0**	0.0	0.0	**0.2**	0.2	0.2
of which derivative financial instruments (HFT)	Financial assets measured at fair value through profit or loss	**0.2**	0.2	0.2	**0.2**	0.2	0.2
of which other	Loans + receivables	**0.0**	0.0	0.0	**0.1**	0.1	0.1
Current assets							
Accounts receivable and other financial assets		**69.0**	69.0	69.1	**326.6**	326.6	326.6
of which accounts receivable and other financial assets	Loans + receivables	**69.0**	69.0	69.0	**326.6**	326.6	326.6
of which securities (HfT)	Financial assets measured at fair value through profit or loss	**0.0**	0.0	0.0	**0.0**	0.0	0.0
of which derivative financial instruments (HfT)	Financial assets measured at fair value through profit or loss	**0.0**	0.0	0.0	**0.0**	0.0	0.0
Cash and cash equivalents	Loans + receivables	**8.4**	8.4	8.4	**127.0**	127.0	127.0
SHAREHOLDERS' EQUITY AND LIABILITIES							
Non-current liabilities							
Financial liabilities		**26.3**	26.3	23.8	**30.4**	30.4	25.3
of which financial liabilities	Financial liabilities measured at amortised cost	**25.7**	25.7	23.2	**29.8**	29.8	24.7
of which derivative financial instruments (hedge accounting)	n.a.	**0.6**	0.6	0.6	**0.6**	0.6	0.6
Other financial liabilities		**38.8**	38.8	38.8	**39.4**	39.4	39.4
of which other financial liabilities	Financial liabilities measured at amortised cost	**0.0**	0.0	0.0	**0.1**	0.1	0.1
of which under finance leases	n.a.	**38.8**	38.8	38.8	**39.3**	39.3	39.3
Current liabilities							
Accounts payable	Financial liabilities measured at amortised cost	**13.0**	13.0	13.0	**82.8**	82.8	82.8
Financial liabilities		**3.8**	3.8	3.8	**4.8**	4.8	4.8
of which financial liabilities	Financial liabilities measured at amortised cost	**3.8**	3.8	3.8	**4.8**	4.8	4.8
of which derivative financial instruments (HfT)	Liabilities measured at fair value through profit or loss	**0.0**	0.0	0.0	**0.0**	0.0	0.0
Other financial liabilities		**13.5**	13.5	13.5	**61.1**	61.1	61.1
of which other financial liabilities	Financial liabilities measured at amortised cost	**11.6**	11.6	11.6	**59.2**	59.2	59.2
of which under finance leases	n.a.	**1.9**	1.9	1.9	**1.9**	1.9	1.9
Aggregated according to measurement categories, the above figures are as follows:							
	Loans + receivables		77.4	77.4		453.7	453.7
	available-for-sale financial assets		0	0		0.2	0.2
	Financial assets measured at fair value through profit or loss		0.2	0.2		0.2	0.2
	Financial liabilities measured at amortised cost		54.1	51.6		176.7	171.6
	Liabilities measured at fair value through profit or loss		0.0	0.0		0.0	0.0

The following table shows a classification of the financial assets and liabilities measured at fair value to the three levels of the fair value hierarchy:

	Level 1	Level 2	Level 3	Total
Non-current derivative assets	0.0	0.0	0.0	0.0
Securities	0.0	0.0	0.0	0.0
Current derivative assets	0.0	0.0	0.0	0.0
Non-current derivative liabilities	0.0	0.0	0.0	0.0
Current derivative liabilities	0.0	0.0	0.0	0.0

The following table shows a classification of the financial assets and liabilities held for sale measured at fair value to the three levels of the fair value hierarchy:

	Level 1	Level 2	Level 3	Total
Non-current derivative assets	0.0	0.2	0.0	0.2
Securities	0.0	0.0	0.0	0.0
Current derivative assets	0.0	0.0	0.0	0.0
Non-current derivative liabilities	0.0	0.6	0.0	0.6
Current derivative liabilities	0.0	0.0	0.0	0.0

The levels of the fair value hierarchy and their application to our assets and liabilities are described below:

- Level 1: Listed market prices for identical assets or liabilities on active markets
- Level 2: Other information in the form of listed market prices which are directly (e.g. prices) or indirectly (e.g. derived from prices) observable
- Level 3: Information on assets and liabilities not based on observable market data.

The fair values of the assets and liabilities to be classified to Level 2 are determined on the basis of input factors derivable directly on the market, such as interest. They result from the discounting of future cash flows using the corresponding input factors.

Of the other financial assets (non-current), € 0.0 million (31 December 2013: € 0.0 million) are attributable to equity interests whose market value can no longer be calculated due to the absence of an active market. They are measured at cost.

Accounts receivable, other financial assets as well as cash and cash equivalents in general mainly have short remaining maturities. Their carrying amounts as at the reporting date therefore correspond to their fair values.

The figure shown for financial liabilities includes loans from banks as well as a bond. The fair value of the loans from banks and the fair value of other liabilities are calculated on the basis of the discounted cash flow. A risk- and maturity-related rate appropriate for RHÖN-KLINIKUM AG has been used for discounting purposes. The fair value of the bond is calculated as the nominal value multiplied by the price of the final trading day of the reporting year.

For the accounts payable and other financial liabilities with short remaining maturities, the carrying amounts correspond to their fair values on the reporting date.

The fair value of liabilities under finance leases was calculated using a market interest curve as at the balance sheet date and corresponds to their carrying amount.

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 2014 up to and including 31 March 2014 are listed.

		Voting interest 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 in the case of**	**Notification pursuant to section 21 (1) WpHG Attribution pursuant to WpHG:**
The Goldman Sachs Group, Inc., Wilmington/Delaware, USA	14 February 2014		3.02	**3.02**	24 January 2014	> 3%	Section 22 (1) sentence 1 no. 1 Name of controlled entity: Goldman Sachs Asset Management, L.P.
The Goldman Sachs Group, Inc., Wilmington/Delaware, USA	28 April 2014						Withdrawal of notification published on 14 February 2014
Goldman Sachs Asset Management International, London, UK	28 April 2013	3.31		**3.31**	5 February 2014	> 3%	Section 21 (1)
Morgan Stanley, Wilmington/Delaware, USA	11 March 2014		5.27	**5.27**	3 March 2014	> 5%	4.76% pursuant to section 22 (1) sentence 1 no. 1 and 0.50% pursuant to section 22 (1) sentence 1 no. 6 in conj. with sentence 2 Names of controlled entities: Morgan Stanley Capital Management LLC, Morgan Stanley Domestic Holdings Inc., Morgan Stanley & Co. LLC
Morgan Stanley, Wilmington/Delaware, USA	27 March 2014		4.89	**4.89**	21 March 2014	< 5%	4.52% pursuant to section 22 (1) sentence 1 no. 1 and 0.37% pursuant to section 22 (1) sentence 1 no. 6 in conj. with sentence 2 Names of controlled entities: Morgan Stanley Capital Management LLC, Morgan Stanley Domestic Holdings Inc., Morgan Stanley & Co. LLC

The reported voting interests may have changed since 31 March 2014. With regard to notifications on threshold events pursuant to section 21 (1) of the WpHG that took place as of 1 April 2014, 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 2014:

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 in the case of	Attribution pursuant to WpHG (section 21 (1) WpHG)
B. Braun Melsungen Aktiengesellschaft, Melsungen, Germany	29 November 2013	15.08		**15.08**	27 November 2013	> 15%	Section 21 (1) - Attribution pursuant to section 22 (1) sentence 1 no. 1 to B. Braun Holding GmbH & Co. KG, Melsungen, Germany; 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
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
Else Kröner-Fresenius-Stiftung, Bad Homburg v. d. Höhe, Germany	5 September 2012		5.0000007	5.0000007	3 September 2012	> 5%	Section 22 (1) sentence 1 no. 1 - Names of controlled entities: Fresenius Management SE, Fresenius SE & Co. KGaA
Morgan Stanley, Wilmington/Delaware, USA	27 March 2014		4.89	**4.89**	21 March 2014	< 5%	4.52% pursuant to section 22 (1) sentence 1 no. 1 and 0.37% pursuant to section 22 (1) sentence 1 no. 6 in conj. with sentence 2 Names of controlled entities: Morgan Stanley Capital Management LLC, Morgan Stanley Domestic Holdings Inc., Morgan Stanley & Co. LLC
Goldman Sachs Asset Management International, London, UK	28 April 2013	3.31		**3.31**	5 February 2014	> 3%	Section 21 (1)

* 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.

** Pursuant to the Corporate Government Code, the Münch family notified us that as at 31 December 2013 the voting interest of Eugen Münch was 7.420% and that of Ingeborg Münch 5.033%. The aforementioned share refers to voting rights notifications before the capital increase in 2009.

In addition, the shareholders specified below have notified the Company that during the reporting period their voting interest exceeded or fell below the statutory notification thresholds pursuant to sections 25, 25a of the WpHG. Notified threshold events that took place in the period of 1 January up to and including 31 March 2014 are listed. The reported voting interests may have changed since 31 March 2014. With regard to notifications on threshold events that took place as of 1 April 2014, and for additional information on the underlying financial instruments, on attribution and on the holding structures of the respective voting rights, we refer to the publications on our homepage in the Investors/IR News section.

Notifying entity	Published on	Voting rights held %	Date that interest exceeds/falls below the threshold	Interest exceeding falling below threshold in the case of	Structure of voting interests
					Voting interest pursuant to section 25 WpHG on date that interest exceeds/falls below threshold
Morgan Stanley, Wilmington/Delaware, USA	27 February 2014	**5.0005**	19 February 2014	> 5%	4.96% pursuant to sections 21, 22 WpHG, 0.04% instruments pursuant to section 25 WpHG (o.w. 0.04% held indirectly; retransfer claims that may be exercised at the lender's discretion)
	27 February 2014	**4.92**	20 February 2014	< 5%	4.88% pursuant to sections 21, 22 WpHG, 0.04% instruments pursuant to section 25 WpHG (o.w. 0.04% held indirectly; retransfer claims that may be exercised at the lender's discretion)
	3 March 2014	**5.01**	26 February 2014	> 5%	4.98% pursuant to sections 21, 22 WpHG, 0.04% instruments pursuant to section 25 WpHG (o.w. 0.04% held indirectly; retransfer claims that may be exercised at the lender's discretion)
	7 March 2014	**4.92**	28 February 2014	< 5%	4.88% pursuant to sections 21, 22 WpHG, 0.04% instruments pursuant to section 25 WpHG (o.w. 0.04% held indirectly; retransfer claims that may be exercised at the lender's discretion)
	11 March 2014	**5.30**	3 March 2014	> 5%	5.27% pursuant to sections 21, 22 WpHG, 0.04% instruments pursuant to section 25 WpHG (o.w. 0.04% held indirectly; retransfer claims that may be exercised at the lender's discretion)
	27 March 2014	**4.93**	21 March 2014	< 5%	4.89% pursuant to sections 21, 22 WpHG, 0.04% instruments pursuant to section 25 WpHG (o.w. 0.04% held indirectly; retransfer claims that may be exercised at the lender's discretion)
	1 April 2014	**5.002**	26 March 2014	> 5%	4.96% pursuant to sections 21, 22 WpHG, 0.04% instruments pursuant to section 25 WpHG (o.w. 0.04% held indirectly; retransfer claims that may be exercised at the lender's discretion)
	1 April 2014	**4.99**	27 March 2014	< 5%	4.99% pursuant to sections 21, 22 WpHG, 0.04% instruments pursuant to section 25 WpHG (o.w. 0.04% held indirectly; retransfer claims that may be exercised at the lender's discretion)

Notifying entity	Published on	Voting rights held %	Date that interest exceeds/falls below the threshold	Interest exceeding/ falling below threshold in the case of	Structure of voting interests
					Voting interest pursuant to section 25a WpHG on date that interest exceeds/falls below
Morgan Stanley, Wilmington / Delaware, USA	19 February 2014	**5.21**	11 February 2014	> 5%	4.77% pursuant to sections 21, 22 WpHG, 0.06% instruments pursuant to section 25 WpHG (o.w. 0.06% held indirectly), 0.38% instruments pursuant to section 25a WpHG (o.w. 0.38% held indirectly; cash settled swaps with expiry on 21 September 2014, 23 September 2014 and 14 October 2014)
	7 March 2014	**0.00**	28 February 2014	< 5%	4.88% pursuant to sections 21, 22 WpHG, 0.04% instruments pursuant to section 25 WpHG (o.w. 0.04% held indirectly), 0.00% instruments pursuant to section 25a WpHG

As at 31 March 2014, 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 changed. With effect from 28 February 2014, Ms. Annett Müller and Mr. Werner Prange left our Supervisory Board because of the transaction. They were succeeded to the Supervisory Board by Mr. Oliver Salomon with effect from 9 April 2014 and by Mr. Klaus Hanschur with effect from 17 April 2014 as representatives of the employees. For further details 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 2013.

The composition of the Board of Management has remained unchanged since the last reporting date. 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 2013.

Since the last reporting date, Mr. Meinhold and Prof. Polonius left the Advisory Board due to expiry of their terms of office. For the 2014/2015 term of office, Dr. Boris Augurzky is appointed as new member of the Advisory Board. For further details 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 2013. 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 2013. 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 as at the key date of 31 March 2014 has remained unchanged since the presentation in the 2013 Annual Report.

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 persons discharging managerial duties (directors' dealings).

Employees

At the reporting date of 31 March 2014 the Group employed a total of 19,929 persons (31 December 2013: 43,363 persons). This decline by 23,434 versus the reporting date of 31 December 2013 is attributable to the sale of hospital subsidiaries to Fresenius/Helios.

Other financial obligations

The investment obligations resulting from company purchase agreements declined as at the reporting date to € 126.8 million (31 December 2013: € 137.6 million) and relate exclusively to companies held for sale.

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 2014	No. of shares on 31 March 2013
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 2014	31 March 2013
Share in net consolidated profit (€ '000)	1,396,276	23,652
Weighted average number of shares outstanding, in thousands	138,208	138,208
Earnings per share in €	10.10	0.17

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 € 0.4 million (previous year: € 26.1 million) are deducted from cash and cash equivalents. The cash flow statement has included a figure of € 5.0 million for outstanding construction invoices (previous year: € 9.9 million) and a figure € 0.1 million for non-cash expenditures from financial derivatives (previous year: income of € 0.01 million).

Bad Neustadt a. d. Saale, 14 May 2014

RHÖN-KLINIKUM Aktiengesellschaft

THE BOARD OF MANAGEMENT

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

KEY RATIOS

KEY RATIOS JANUARY THROUGH MARCH 2014 / JANUARY THROUGH MARCH 2013

Data in € m	Jan. – March 2014	Jan. – March 2013	Change in %
Revenues	629.5	752.2	-16.3
Materials and consumables used	166.1	195.3	-15.0
Employee benefits expense	386.4	459.7	-15.9
Depreciation/amortisation and impairment	14.2	35.0	-59.4
Net consolidated profit according to IFRS	1,397.6	24.3	N.A.
Earnings share of RHÖN-KLINIKUM AG shareholders	1,396.3	23.7	N.A.
Earnings share of non-controlling interests	1.3	0.6	N.A.
Return on revenue (%)	222.0	3.3	N.A.
EBT	1,418.1	29.7	N.A.
EBIT	1,473.8	39.9	N.A.
EBIT - ratio (%)	234.1	5.3	N.A.
EBITDA	1,488.0	74.9	N.A.
EBITDA ratio (%)	236.4	10.0	N.A.
Operating cash flow	1,411.2	59.5	N.A.
Property, plant and equipment as well as investment property	707.3 *	1,910.1	-63.0
Non-current income tax claims	6.8 *	9.6	-29.2
Equity according to IFRS	3,071.8	1,634.7	87.9
Return on equity, %	54.4	6.0	N.A.
Balance sheet total according to IFRS	3,929.1	3,185.0	23.4
Investments			
in property, plant and equipment, intangible assets as well as in investment property	16.3	19.6	-16.8
in other assets	0.0	0.0	0.0
Earnings per ordinary share (€)	10.10	0.17	N.A.
Number of employees (headcount)	19,929	42,715	-53.3
Case numbers (patients treated)	567,137	670,677	-15.4
Beds and places	6,831	17,104	-60.1

* Excluding held-for-sale assets

FINANCIAL CALENDAR

DATES FOR SHAREHOLDERS AND ANALYSTS

2014

14 May 2014	Publication of Interim Report for the quarter ending 31 March 2014
12 June 2014	Annual General Meeting (at the Jahrhunderthalle Frankfurt)
8 August 2014	Publication of Half-Year Financial Report as at 30 June 2014
7 November 2014	Publication of Interim Report for the quarter ending 30 September 2014

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This Interim Report is also available in German.