INTERIM REPORT
Q1 2012

RHÖN-KLINIKUM
AKTIENGESELLSCHAFT

CONTENTS

LETTER TO SHAREHOLDERS

Dear Shareholders,

In the first quarter of financial year 2012, RHÖN-KLINIKUM AG again succeeded in raising its key performance ratios compared with the previous year. In the first three months of the year, we treated 609,896 patients, or 5.2% more compared with the first quarter of the previous year. Our revenues grew by 5.4% or € 35.1 million, and our net consolidated profit was € 3.9 million (10.3%) below the figure for the same period last year.

The framework conditions remained challenging for our hospitals. In the current year as well, the rate of price increase will be lowered and discounts will have to be agreed on surplus service volumes. That means that increases in personnel and material costs will be counterfinanced only to a partial extent. Legislative requirements ignore the growing demand for medical services. On the one hand, rising life expectancy is leading to an increased incidence of chronic illnesses. And on the other, advances in medicine mean a growing need in the population to maintain mobility and good health into old age. Here we are seeing the growing need for finding objective and practical solutions to financing the need of medical care.

Since the necessary adjustments to market conditions confront many hospitals with existential challenges, we expect the consolidation on the hospital market to continue. In future it will be more important than ever to have ties to a strong and efficient network. That is why we are currently steadfastly forging ahead with the further development of network structures at our hospitals and facilities. Based on our understanding, and in the interest of patients, modern medicine calls for intelligent collaboration in networks of doctors and hospitals across disciplines, facilities and sectors. To support interfacility and interdisciplinary exchange, we make targeted use of telemedical applications. By expanding IT-based medical care, we secure healthcare delivery in rural regions and enable more efficient treatment procedures.

The successful growth seen over the past five years has led to a considerable need for qualified specialist staff. At the same time, a shortage of doctors and specialists is emerging in healthcare. We confront this challenge by constantly driving the further development of sustainable personnel concepts for recruiting qualified staff. With our offering of good development prospects at the hospitals and over all care levels, we consider ourselves well prepared to meet these challenges. In this way we will also live up to our responsibility in future to ensure that in many regions our hospitals are one of the most important employers.

As a private provider we assume responsibility for affordable, patient-oriented medical care and see ourselves as a strong partner of the municipalities. This understanding is borne out by our latest investment in Dr. Horst Schmidt Kliniken GmbH (HSK). In February 2012, the City of Wiesbaden gave its approval to the sale of a 49 per cent interest to RHÖN-KLINIKUM AG. We are thus strengthening our care network with a further maximum-care provider and assume the strategic corporate direction at the largest hospital in Wiesbaden, Federal State Capital of Hesse. With our investment strength and restructuring expertise, we will oversee the development of the biggest hospital in the State Capital of Hesse into a viable facility for the future.

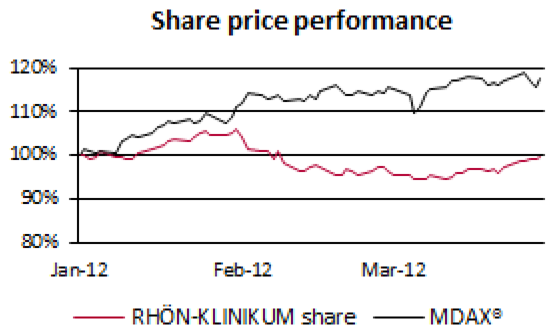
Including HSK, we expect revenues in 2012 of EUR 2.85 billion which may fluctuate within a range of plus or minus 2.5 per cent. This revenue target is accompanied by a forecast for EBITDA of EUR 350 million and for net consolidated profit of EUR 145 million – in each case influenced by a negative earnings contribution from the HSK consolidation and subject to a fluctuation range of plus or minus five per cent.

Wolfgang Pföhler
Chairman of the Board of Management of
RHÖN-KLINIKUM AG

THE RHÖN-KLINIKUM SHARE

In response to the escalating debt crisis, the European Central Bank from the end of last year brought about a huge expansion of liquidity for the financial and banking system. Against the background of this central bank policy on the markets, the burdens of the debt crisis and fears of further possible international contagion effects receded. Instead, the markets responded very positively to the massive monetary policy support measures, and even early indicators such as the expectation component of the Ifo business climate index brightened after previously seeing noticeable declines over the quarter.

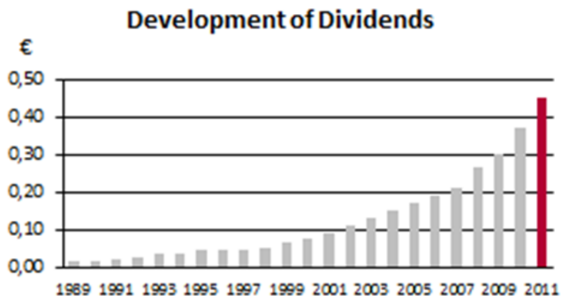
In this political environment, the stock markets recorded significant gains. The German leading index DAX® gained 17.8% over the quarter, closing at 6,946 points at the end of the quarter. The MDAX® gained disproportionately over the quarter by 20.3%. In this situation, the biggest winners were cyclical stocks and the shares of financial companies. Defensive stocks, such as shares from the healthcare industry, on average lagged behind the extraordinarily positive aggregate market trend. For example, the DJ EURO STOXX Healthcare Index rose "only" 5.5% over the quarter.



RHÖN-KLINIKUM AG met its profit expectations for the past financial year. In this context, the share recorded only a 2.3%, and thus disproportionately moderate, gain. The Company ended the first quarter of 2012 with a closing price of 15.06 euros. At the end of the quarter our market capitalisation, including all issued 138.23 million non-par shares, stood at 2.1 billion euros (31 December 2011: 2.0 billion euros). In the MDAX® we thus ranked 11th by market capitalisation (31 December 2011: 11th).

RHÖN-KLINIKUM share		
ISIN		DE0007042301
Ticker symbol		RHK
Registered share capital		345,580,000 €
Number of shares		138,232,000
	31 March 2012	**31 Dec. 2011**
Market capitalisation (€ m)	2,081.77	2,034.78
Share prices, in €	**1 Jan.-31 March 2012**	**1 Jan.-31. Dec. 2011**
Closing price	15.06	14.72
High	15.99	17.96
Low	14.29	13.67

Our dividend policy is geared towards both long-term value enhancement and sustained earnings strength of the Company. For reporting year 2011 as well, our dividend policy allows us to once again propose a higher dividend to be distributed to our shareholders. The Board of Management and the Supervisory Board will therefore propose to the Annual General Meeting to distribute a dividend of 0.45 euros per non-par share (previous year: 0.37 euros).



All data adjusted in euros (138,232,000 ordinary shares)
2011: Dividend will be proposed to the shareholders at the AGM on 13 June 2012

Our next Annual General Meeting will take place on 13 June 2012 at 10.00 a.m. at the Jahrhunderthalle in Frankfurt (admission from 9.00 a.m.). On 9 August 2012 we will publish the Half-Year Financial Report as at 30 June 2012.

A financial calendar containing all important financial dates for 2012 is provided on the inside cover as well as on our website at www.rhoen-klinikum-ag.com under the "Investors" section.

CONSOLIDATED INTERIM REPORT OF THE MANAGEMENT

REPORT ON THE FIRST QUARTER OF FINANCIAL YEAR 2012

- Patient numbers were raised by 5.2% compared with the same quarter of the previous year. The rise in revenues accompanying this is being burdened by the considerable discounts on surplus service volumes prescribed by German healthcare legislation and is resulting in a dilution of margins and earnings because of the additional costs incurred by the expansion in service volumes.
- Net consolidated profit of the first quarter turned out to be weaker than targeted due to deferrals within the year. Since this effect will be made up for in the course of the year, we confirm our revenue and earnings expectations for full-year 2012.
- Quarterly earnings stood at € 34.1 million on revenues of € 682.3 million and EBITDA of € 81.8 million.

GENERAL INFORMATION

The interim consolidated financial statements of RHÖN-KLINIKUM AG for the year ended 31 March 2012 have been prepared 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 Standard Interpretations Committee (IFRS IC), which are the subject of mandatory adoption in accordance with the European Parliament and Council Directive number 1606/2002 concerning the application of international accounting standards in the European Union in financial year 2012.

The accounting and valuation methods applied, to the extent already applied in financial year 2011 and consistently applied in financial year 2012, are set out in detail in the Consolidated Financial Statement of RHÖN-KLINIKUM AG as at 31 December 2011. The accounting and valuation methods applicable in principle for the first time in financial year 2012 are explained in the Abridged Notes to this Interim Report. On a current view, these will have no effect on the net assets, financial position and results of operations of RHÖN-KLINIKUM AG.

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

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

REVIEW OF BUSINESS PERFORMANCE IN THE FIRST THREE MONTHS AND OUTLOOK FOR THE FURTHER COURSE OF FINANCIAL YEAR 2012

Comparison of the first three months

January through March	2012	2011	Change	
	€m	€m	€m	%
Revenues	682.3	647.2	35.1	5.4
EBITDA	81.8	78.8	3.0	3.8
EBIT	48.5	50.6	-2.1	-4.2
EBT	41.0	45.9	-4.9	-10.7
Operating cash flow	66.0	66.1	-0.1	-0.2
Net consolidated profit	34.1	38.0	-3.9	-10.3

Compared with the first three months of financial year 2011, we recorded, in conjunction with

- a rise in case numbers by 30,264 cases or 5.2% to a total of 609,896 cases (previous year: 579,632 cases),
- a rise in revenues by € 35.1 million or 5.4% to € 682.3 million (previous year: € 647.2 million), and
- an increase in EBITDA by € 3.0 million or 3.8% to € 81.8 million (previous year: € 78.8 million),

a decrease in EBIT by € 2.1 million or 4.2% to € 48.5 million (previous year: € 50.6 million) and a € 3.9 million or 10.3% decline in net consolidated profit to € 34.1 million (previous year: € 38.0 million).

The causes for the weaker-than-expected net consolidated profit of the first quarter of 2012 are, among other things, the demands of the health insurance funds with regard to the remuneration discount on surplus service volumes yet to be agreed. Apart from that, the discounts of 65% had a revenue diminishing effect on the additional service volumes rendered.

The additional service volumes at the same time brought about additional costs. Given our strong expansion in service volumes in the first quarter, this is having a dilutive effect on margins and earnings.

The quarterly result is also burdened by the delay in cost restructuring measures in the personnel area planned in the first quarter at Gießen and Marburg as well as by income from the charges agreed with the medical faculties for expenditures incurred (“separate accounting“).

Compared with the same period last year, revenues witnessed a rise of € 35.1 million or 5.4%, Adjusting for changes in the scope of consolidation amounting to € 2.6 million, this translates into organic growth of € 32.5 million or 5.0%, resulting among other things from increases in service volumes – with reference to patients – of 3.9% in the inpatient area.

The increase in revenues by roughly 1.1% per inpatient case, which in addition to the trend in case severity also reflects the price increase of the state base rates and the discounts on surplus service volumes, is not enough to compensate for the personnel and material costs incurred by such additional service volumes.

Our EBITDA margin generated in the first quarter thus worsened compared with the same period last year from 12.2% to 12.0%. Depreciation/amortisation, as a result of the operating buildings that were largely completed in 2011, rose by € 5.1 million in absolute terms. The EBIT margin thus declines in the same period from 7.8% to 7.1%. With the completion of the operating buildings, the construction time interest attributable to these projects will no longer be recognised and will increase financing expenditures compared with the first quarter of 2011 by € 2.1 million. The € 3.9 million lower net consolidated profit translates into a return on revenues of 5.0% (previous year: 5.9%).

The interest of RHÖN-KLINIKUM AG shareholders in net consolidated profit for the first three months was € 33.2 million (previous year: € 36.6 million). This corresponds to earnings per share of € 0.24 (previous year: € 0.27).

Investment and financing

In the first three months of the current financial year, the Group invested a total of € 47.0 million (previous year: € 59.2 million) in tangible assets (new hospital buildings and replacement investments) and in intangible assets (practice values), of which € 42.2 million (previous year: € 52.5 million) from own funds.

For these investments an operating cash flow – calculated from net consolidated profit plus depreciation/amortisation less other non-cash items – of € 66.0 million (previous year: € 66.1 million) was available.

Since the last reporting date our net financial debt rose from € 551.9 million to € 622.1 million, and our equity capital increased since the last reporting date from € 1,598.7 million to € 1,632.4 million.

The increase in equity capital compared with the reporting date of 31 December 2011 by € 33.7 million results from net consolidated profit for the first three months of financial year 2012 (€ 34.1 million), on the one hand, and from negative changes in the market values of derivative financial instruments designated as interest-rate hedging instruments (€ 0.4 million), on the other. The equity capital ratio increased compared with the last reporting date from 50.3% to 51.5%.

Our non-current assets are financed fully, at notionally 117.5% (31 December 2011: 117.7%), at matching maturities by equity capital and non-current debt. Moreover, our current assets are covered by € 393.3 million of non-current equity and debt items.

Forecast for 2012

For 2012 including the targeted revenue and earnings contributions of Dr. Horst Schmidt Kliniken (HSK), RHÖN-KLINIKUM AG expects for full-year 2012, under the currently known statutory framework conditions, revenues of EUR 2.85 billion which may fluctuate within a range of plus or minus 2.5%. This revenue target is accompanied by a forecast for EBITDA of EUR 350 million and for net consolidated profit of EUR 145 million – in each case influenced by a negative earnings contribution from the HSK consolidation and subject to a fluctuation range of plus or minus 5%.

Economic and legal situation

Despite the euro debt crisis, the leading economic research institutes have slightly raised their growth forecasts for the German economy for the current year 2012 to 0.9%. For 2013, despite the flagging world economy, economic growth of 2.0% is expected.

As the eight institutes state in their Spring Report, German companies are more competitive than they have ever been in the past three decades.

The tense situation seen in the debt-ridden euro countries of Greece, Ireland, Italy, Portugal and Spain continues to pose a threat to the economic recovery of the euro zone. As before, the biggest downside risk comes from the debt and confidence crisis within the euro zone which essentially remains unresolved, the institutes state in summary.

A sustained stabilisation would be possible only if Italy, Ireland and Spain actually succeed in implementing the planned reforms and there is no further loss in confidence on the financial markets.

The German jobs market continues to boom. Employment will grow in the current year by 470,000. The researchers expect the number of unemployed to decline to 2.794 million on an average for 2012. Germany's inflation rate latterly stood at 2.3% – primarily as a result of rising energy prices.

The public sector is expecting sharp rises in revenues that can be used either for reducing debt or for public investments. The surplus of the statutory health insurance funds and the Central Health Fund reached a record level of nearly € 9.5 billion in 2011.

As before, changes in demographics are expected to translate into higher demand for hospital services also in 2012. In 2012, statutory rules on remuneration provide for differentiated discounts of up to 65.0% for agreed and non-agreed surplus service volumes. Based on expected price increases of over 2.0% to 3.0% for personnel and material costs and a price increase rate of 1.48% maximum included in the state base rates in 2011, further burdens on earnings will result that will have to be offset by restructuring successes and higher service volumes.

As a result, the intensifying selective trend on amongst the service providers is set to continue in 2012 as well. In our view, only those hospitals that are able to continually expand their service portfolio while at the same time exploiting cost advantages will be able to exist on the market on a sustained basis without having to rely on state aid. In our industry, standstill in this regard means regression, and thus ultimately elimination from the market.

The past financial year once again witnessed increasing takeovers among private hospital chains. Given the tight state of financing of many municipalities and public hospitals, we believe that the transaction market is gathering pace once again and that acquisition-driven growth will again become increasingly important in financial year 2012.

We lay claim to our ability of operating hospitals very efficiently and successfully, and of being able to bring about the quick and qualified integration of newly acquired facilities. Overall, we therefore see ourselves in a very good position, also for the coming year, in terms of our organic and acquisition-driven growth prospects.

CORPORATE GOVERNANCE

Corporate constitution

In the first quarter of 2011, the composition of our Board of Management and Supervisory Board has remained unchanged since the 2012 Annual Report. The allocation of responsibilities within the Board of Management and the Supervisory Board remained unchanged. Regarding the composition of the Board of Management and the Supervisory Board, please refer to the Annual Report for the last reporting date.

In the first three months of financial year 2012, we received no notifications pursuant to section 21 et seq. of the Securities Trading Act (Wertpapierhandelsgesetz, WpHG).

During the reporting period, RHÖN-KLINIKUM AG was not notified of any transactions pursuant to section 15a of the WpHG of members of the Board of Management or of the Supervisory Board (directors' dealings). No other notifications regarding transactions by executives pursuant to section 15a of the WpHG (directors' dealings) were made either.

All other elements of our corporate constitution have remained unchanged in financial year 2012 to date. In this regard we refer to the explanations provided in the Management Report of the 2011 Annual Report.

Risks and opportunities

In the bidding procedure for HSK, Dr. Horst Schmidt Kliniken GmbH, hospital of the City of Wiesbaden, Federal State Capital, we were the successful bidder for the sale of a 49 percent share in the facility. The conditions of validity concluded in the purchase agreement have not yet been completely met. We expect to be able to consolidate the company in our consolidated financial statements in the second quarter of 2012. In this acquisition we are aware of our responsibility and will be at the service of the people and City as a reliable partner with our decades of medical experience.

We will exploit opportunities for further acquisitions to expand our Group as these arise.

Any opportunities that arise and risks that exist are typically characterised by long-term cycles. As a result, short-term changes in the market environment are still usually the exception.

The surplus service volumes rendered in the first quarter of 2012 through expansions in service volumes in some cases are remunerated at discounts of up to 65% due to statutory provisions. On the cost side, by contrast, we record sharp price rises both in the area of personnel and material expenditures. We are exploiting all available avenues to raise efficiency by constantly improving our processes, and are convinced that we will succeed in compensating for the disproportionately moderate rise (compared with the rise in costs) in prices for our services.

Since the reporting date of 31 December 2011 there have been no significant changes in risks and rewards. As before, we do not see any risks posing a threat to the Company's existence, neither for the individual subsidiaries nor for the Group.

CONSOLIDATED TREND

Sites and capacities

	Hospitals	Beds
As at 31 December 2011	**53**	**15,973**
Change in capacities	0	87
As at 31 March 2012	**53**	**16,060**

In the first quarter of 2012 there were no changes in the scope of consolidation compared with the last balance sheet date. As at 31 March 2012 we have a total of 53 consolidated hospitals with 16,060 beds/places at a total of 43 sites in ten federal states. Since 31 December 2011, we witnessed only a moderate net change in the number of approved beds (87) at our acute inpatient capacities in line with the requirement budgets in the individual federal states.

In the first three months of 2012 we put into service one medical care centre (MVZ) with 5.0 specialist physician practices at the Olpe site. We expanded our already existing MVZs by 9.0 specialist physician practices:

	Date	MVZs	Specialist physician practices
As at 31 Dec. 2011		**38**	**166.5**
Opened			
MVZ Olpe	01.01.2012	1	5.0
Extensions			
Various sites		-	9.0
As at 31 March 2012		**39**	**180.5**

As at 31 March 2012, we currently operate 39 MVZs with a total of 180.5 specialist physician practices.

As at 1 April 2012, we integrated into our respective existing MVZ two surgical specialist practices in Meiningen, one paediatric specialist practice in Dippoldiswalde, and one gynaecological specialist practice in Köthen.

Patients

January through March	2012	2011	Change absolute	%
Inpatient and day-case treatments,				
acute hospitals	175,796	169,090	6,706	4.0
rehabilitation hospitals and other facilities	2,831	2,766	65	2.3
	178,627	171,856	6,771	3.9
Outpatient attendances at our				
acute hospitals	269,625	268,410	1,215	0.5
MVZs	161,644	139,366	22,278	16.0
	431,269	407,776	23,493	5.8
Total	**609,896**	**579,632**	**30,264**	**5.2**

In the first three months a total of 609,896 patients (up by 30,264 patients / 5.2%) were treated in the Group's hospitals and MVZs. Of this increase, outpatient treatments account for roughly 78%.

Growth in the inpatient area – as measured by patients – was 3.9% in the first three months of 2012.

Per-case revenues

January through March	2012	2011
Case revenue		
inpatient (€)	3,582	3,543
outpatient (€)	99	94

Compared with the first three months of the previous year, average per-case revenue rose by € 39 or 1.1% in the inpatient area.

In the outpatient area, average per-case revenues rose by € 5 or about 5.3%. Here, our expanded service portfolio translated into comparatively higher per-case revenues in particular thanks to the integration of the acquired ophthalmological diagnosis and therapy centres in the course of financial year 2011.

Employees

Employees	March 2012	31 Dec. 2011	Change	
			absolute	%
Hospitals	34,521	34,498	23	0.1
MVZs	897	812	85	10.5
Service companies	3,962	4,015	-53	-1.3
Total	**39,380**	**39,325**	**55**	**0.1**

On 31 March 2012, the Group employed 39,380 persons (31 December 2011: 39,325).

BUSINESS DEVELOPMENT

Performance of our hospitals was weaker than expected in the first three months of financial year 2012 due to the following factors:

- higher-than-planned increases in service volumes, which are subject to discounts on surplus volumes of 65% under statutory remuneration rules,
- deferral of income from the "separate accounting" in Gießen and Marburg,
- claims of health insurance funds with regard to remuneration discounts on agreed excess service volumes well over 30%,
- delays in restructuring of personnel costs in Gießen and Marburg.

At the University Hospital of Gießen and Marburg, the trend in service volumes at both sites was roughly 9% in the first quarter of 2012, well exceeding the figures that we had been targeting internally. However, pursuant to section 4 of the German Hospital Financing Act (Krankenhausentgeltgesetz, KHG), such expansions in service volumes are remunerated at steep "discounts on surplus volumes" of up to 65%.

The claims of the health insurance funds regarding the remuneration discount on yet to be agreed excess service volumes are currently well above our original expectation of 30%. Since such additional service volumes at the same time entail additional costs, a significant expansion in service volumes in the first quarter is also having diluting effects on margins and earnings. Irrespective of the outcome of the budget negotiations at the individual facilities, backlog revenue effects resulting from the subsequent higher valuation of surplus service volumes already rendered (but which then would not be diminished by additional costs) may occur in the further course of the year.

The quarterly result is also burdened by the delay in cost restructuring measures in the personnel area as well as by income from the charges agreed with the medical faculties for expenditures incurred ("separate accounting").

Whenever statements on key ratios and margins in interim financial statements are considered, it generally has to be kept in mind that in hospitals revenues (for the financial year and for the respective periods under review during the year) can only be precisely attributed after conclusion of the budget negotiations. For this reason, quarterly and half-year financial statements may reveal some imprecisions in the estimates made. It will generally be decisive for us to reach agreement also with payers regarding our surplus service volumes so that we are fully remunerated for services rendered.

Revenues and earnings

January - March	2012 €m	2011 €m	Change €m	Change %
income				
Revenues	682.3	647.2	35.1	5.4
Other income	48.3	43.7	4.6	10.5
Total	**730.6**	**690.9**	**39.7**	**5.7**
Expenditure				
Materials and consumables used	178.0	167.6	10.4	6.2
Employee benefits expense	408.4	381.9	26.5	6.9
Other expenditure	62.4	62.6	-0.2	-0.3
Total	**648.8**	**612.1**	**36.7**	**6.0**
EBITDA	**81.8**	**78.8**	**3.0**	**3.8**
Depreciation	33.3	28.2	5.1	18.1
EBIT	**48.5**	**50.6**	**-2.1**	**-4.2**
Financial result	7.5	4.7	2.8	59.6
EBT	**41.0**	**45.9**	**-4.9**	**-10.7**
Income taxes	6.9	7.9	-1.0	-12.7
Net consolidated profit	**34.1**	**38.0**	**-3.9**	**-10.3**

Compared with the same period last year, revenues grew by € 35.1 million or 5.4%. Adjusting for changes in the scope of consolidation amounting to € 2.6 million, this translates into organic growth of € 32.5 million or 5.0%, resulting among other things from increases in service volumes – with reference to patients – of 3.9% in the inpatient area. The increase in revenues by roughly 1.1% per inpatient case, which in addition to the trend in case severity also reflects the price increase of the state base rates and the discounts on surplus service volumes, is not enough to compensate for the personnel and material costs incurred by the additional service volumes.

The other income item rose on the back of revenue from services (€ 3.0 million) from higher sales of pharmaceuticals. Moreover, the disposal of property, plant and equipment led to a € 1.2 million increase in income compared with the same period last year.

January - March	2012 %	2011 %
EBITDA margin	12.0	12.2
EBIT margin	7.1	7.8
EBT margin	6.0	7.1
Return on revenue	5.0	5.9
Return on equity	8.5	10.0

Despite the restructuring successes, the aforementioned missing earnings contributions (which are expected to materialise again in the subsequent quarters) has made itself felt in the trend of our margins.

Without taking into account further acquisitions, we expect an overall positive performance of our key ratios in the further course of financial year 2012.

January - March	2012 %	2011 %
Cost of materials ratio	26.1	25.9
Personnel cost ratio	59.9	59.0
Other cost ratio	9.1	9.7
Depreciation and amortisation ratio	4.9	4.4
Financial result ratio	1.1	0.7
Tax expenditure ratio	1.0	1.3

In the area of medical supplies as well as economic and administrative supplies, it was no longer possible to offset price increases completely from increases in revenues. In the months from January to March, the material expenditure item rose compared with the same period last year by € 10.4 million or 6.2%, in turn resulting in a disproportionate rise in the material expenditure ratio from 25.9% to 26.1%. This includes services purchased from locum staff, which only in some cases compensate original personnel expenditures. Adjusted for the effect of locum doctors, the material cost ratio climbed from 24.4% by 0.2 percentage points to 24.6%.

As the result of the income deferral calculated from discounts on surplus revenues of up to 65% and absent earnings contributions at Universitätsklinikum Gießen und Marburg GmbH resulting from the "separate accounting" as well as the planned cost restructuring in the personnel area, personnel expenditure and thus the personnel expense ratio rose disproportionately in the first quarter of 2012 from 59.0% to 59.9%. In addition, Group-wide wage effects of 2-3% had an expenditure increasing effect.

In the first quarter of 2012, the other expenditure item declined by € 0.2 million or 0.3% to € 62.4 million compared with the same period of the previous year.

As a result of our new buildings and extensions completed during financial year 2011 (including Klinikum Hildesheim in October 2011, Universitätsklinikum Gießen und Marburg – Gießen Site in May 2011, Marburg Site in March 2011) as well as in financial year 2012 (Klinikum Gifhorn in February 2012), the depreciation/amortisation item increased by € 5.1 million or 18.1% and thus the depreciation/amortisation ratio from 4.4% to 4.9%.

Compared with the same period last year, we recorded a rise in the negative financial result by € 2.8 million to € 7.5 million in the first three months of financial year 2012. For the most part (€ 2.1 million), this rise is accounted for by the recognition of declining borrowing costs, since the construction measures, in particular at the University Hospital of Gießen and Marburg, were completed in the course of 2011. A burdening effect also came from the rise in net debt to banks.

As at 31 March 2012, net financing debt – including finance lease liabilities – was € 622.1 million (31 December 2011: € 551.9 million) and breaks down as follows:

	31 March 2012 €m	31 March 2011 €m
Cash	360.7	477.5
Current financial liabilities	42.1	57.6
Non-current financial liabilities	976.9	1,007.5
Finance lease liabilities	0.3	0.3
Financial liabilities	1,019.3	1,065.4
Subtotal	658.6	587.9
Negative market value of derivatives (current)	-0.1	0.0
Negative market value of derivatives (non-current)	-36.4	-36.0
Net financial debt	**622.1**	**551.9**

Income tax expense declined compared with the first quarter of 2011 by € 1.0 million to € 6.9 million (previous year: € 7.9 million) with the decline in the tax assessment basis.

The decline in net consolidated profit by € 3.9 million or 10.3% is attributable among other things to developments and an absence of earnings contributions at Universitätsklinikum Gießen und Marburg GmbH given its high importance for the Group. The absent earnings contributions are expected to materialise in the subsequent quarters.

Minority interests in profit declined compared with the same period last year by € 0.5 million (35.7%) from € 1.4 million in the previous year to € 0.9 million.

The interest of RHÖN-KLINIKUM AG shareholders in profit for the first three months of 2012 declined by € 3.4 million or 9.3% to € 33.2 million compared with the same period last year. This corresponds to earnings per share of € 0.24 (previous year: € 0.27) in accordance with IAS 33.

In the first three months of the current financial year, the sum of net consolidated profit and net earnings directly recognised at equity amounted to € 33.8 million (previous year: € 44.5 million). Whilst during the same period last year positive changes in the market values of our financial instruments of € 6.5 million were recognised directly at equity, corresponding negative changes in market values to the tune of € 0.4 million (after tax) were likewise recognised directly at equity in the first three months of 2012.

Asset and capital structure

	31 March 2012 €m	%	31 December 2011 €m	%
ASSETS				
Non-current assets	2,252.5	71.0	2,246.1	70.7
Current assets	919.4	29.0	929.2	29.3
	3,171.9	**100.0**	**3,175.3**	**100.0**
SHAREHOLDERS' EQUITY AND LIABILITIES				
Shareholders' equity	1,632.4	51.5	1,598.7	50.3
Long-term loan capital	1,013.4	32.0	1,044.4	32.9
Short-term loan capital	526.1	16.5	532.2	16.8
	3,171.9	**100.0**	**3,175.3**	**100.0**

Amongst other things as a result of the scheduled realisation of our investment programmes, our assets (which compare with depreciation and disposals of assets) increased by € 6.4 million or 0.3% since the last reporting date. The decline in current assets stems from dividend-related investment income tax paid to the competent tax authorities.

We financed our investments of € 42.2 million fully from own funds out of operating cash flow of the first three months in the amount of € 66.0 million.

The equity capital ratio rose compared with the last reporting date from 50.3% to 51.5%.

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

Shareholders' equity	2012			2011
	Shareholders €m	Minorities €m	Total €m	Total €m
As at 1 January	**1,555.0**	**43.7**	**1,598.7**	**1,495.2**
Equity capital transactions with owners	0.0	0.0	0.0	5.1
Total result of the period	32.8	0.9	33.7	44.5
As at 31 March	**1,587.8**	**44.6**	**1,632.4**	**1,544.8**

As at 31 March 2012, equity stands at € 1,632.4 million (31 December 2011: € 1,598.7 million). The increase in equity capital compared with the reporting date of 31 December 2011 by € 33.7 million results from net consolidated profit for the first three months of financial year 2012 (€ 34.1 million), on the one hand, and from negative changes in the market values of derivative financial instruments designated as interest-rate hedging instruments (€ 0.4 million), on the other.

117.5% (31 December 2011: 117.7%) of non-current assets is nominally covered by equity and non-current liabilities at fully matching maturities. Net financial debt rose since the last reporting date from € 551.9 million by € 70.2 million to € 622.1 million as at 31 March 2012.

Our key financial ratios developed as follows:

	31 March 2012	31 Dec. 2011
Net financial liabilities in €m at reporting date (incl. finance lease liabilities)	622.1	551.9
EBITDA (€ m)	357.7 *	354.7 **
Net interest expenditure in €m (excluding mark-up / discount of financial instruments)	29.5 *	26.7 **
Net financial debt / EBITDA	1.7	1.6
EBITDA / net interest expenditure	12.1	13.3

*) Period from 1 April 2011 - 31 March 2012
**) Period from 1 January 2011 - 31 December 2011

Compared with the same period last year, operating cash flow, calculated from net consolidated profit plus depreciation/amortisation and less other non-cash items, remain nearly at the previous year's level at € 66.0 million (previous year: € 66.1 million).

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

January through March	2012 €m	2011 €m
Cash used / generated by operating activities	-47.8	42.2
Cash used in investing activities	-34.9	-67.8
Cash used/generated in financing activities	-31.3	22.8
Change in cash and cash equivalents	**-114.0**	**-2.8**
Cash and cash equivalents at 1 January	439.9	393.2
Cash and cash equivalents as at 31 March	**325.9**	**390.4**

Cash used by operating activities results from the one-off effect of the special dividends paid within the Group and the investment income tax payable thereon. This investment income tax was paid to the tax authorities in the amount of € 71.6 million in the first quarter of 2012. The refund is expected in the second quarter of 2012 in which the positive reversal of this one-off effect is expected. The special dividends relate to the distribution of profit reserves of subsidiaries to RHÖN-KLINIKUM AG. A further negative effect on cash generated from operations in the first quarter is attributable to the aforementioned expansions in service volumes whose cash effects occur with a time lag due to the payment terms of the health insurance funds. This change in accounts receivable results in a cash shortfall of roughly € 10.0 million in the first quarter of 2012 compared with the same period of the previous year.

Adjusting cash generated from operations by these two effects, this results in a decline similar that of net consolidated profit.

Investing activities

Aggregate investments of € 47.0 million (previous year: € 59.2 million) in the first three months of financial year 2012 are shown in the following table:

	Use of		
	Gov't grants €m	Own funds €m	Total €m
Current capital expenditur	4.8	34.9	39.7
Takeovers	0.0	7.3	7.3
Total	**4.8**	**42.2**	**47.0**

Of these investments made in the first three months, € 4.8 million was attributable to investments funded from grants under the Hospital Financing Act (KHG) (previous year: € 6.7 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
Gifhorn	11.1
Köthen	3.8
Kipfenberg	3.0
Gießen-Marburg	2.7
Warburg	2.1
Pforzheim	1.7
Munich	1.5
Bad Neustadt	1.3
Other sites	7.7
Total	**34.9**

Under company purchase agreements entered into in previous years, we still have outstanding investment obligations of € 34.2 million until 2014.

Outlook

We are involved in several acquisition procedures for inpatient and outpatient facilities which cannot be reported on publicly at the current stage. That said, in reaching our decision for takeovers and participations we are guided by a facility's strategic importance, its earnings prospects as well as the general scope for development within its region and within the Group.

For full-year 2012 including the targeted revenue and earnings contributions of Dr. Horst Schmidt Kliniken (HSK), we expect revenues of EUR 2.85 billion which may fluctuate within a range of plus or minus 2.5%. This revenue target is accompanied by a forecast for EBITDA of EUR 350 million and for net consolidated profit of EUR 145 million – in each case influenced by a negative earnings contribution from the HSK consolidation and subject to a fluctuation range of plus or minus 5%.

We will continue to pursue our strategy for organic and acquisitions-driven growth under the current framework of legislative provisions as the sustained trend in organic growth at our long-standing facilities continues.

Bad Neustadt a. d. Saale, 19 April 2012

RHÖN-KLINIKUM AG

THE BOARD OF MANAGEMENT

Volker Feldkamp   Dr. Erik Hamann   Martin Menger

Wolfgang Pföhler   Dr. Irmgard Stippler

CONSOLIDATED ABRIDGED INTERIM FINANCIAL STATEMENT

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

January through March	2012 € '000	2012 %	2011 € '000	2011 %
Revenues	682,271	100.0	647,210	100.0
Other operating income	48,321	7.1	43,655	6.7
	730,592	**107.1**	**690,865**	**106.7**
Materials and consumables used	177,999	26.1	167,622	25.9
Employee benefits expense	408,369	59.9	381,867	59.0
Other expenses	62,429	9.1	62,566	9.7
	648,797	**95.1**	**612,055**	**94.6**
Interim result (EBITDA)	**81,795**	**12.0**	**78,810**	**12.2**
Depreciation/amortisation and impairment	33,249	4.9	28,211	4.4
Operating result (EBIT)	**48,546**	**7.1**	**50,599**	**7.8**
Finance expenses	9,860	1.4	6,720	1.0
Finance income	2,324	0.3	2,040	0.3
Financial result	**7,536**	**1.1**	**4,680**	**0.7**
Earnings before tax (EBT)	**41,010**	**6.0**	**45,919**	**7.1**
Income taxes	6,888	1.0	7,910	1.3
Net consolidated profit	**34,122**	**5.0**	**38,009**	**5.9**
of which				
minority interests	**939**	**0.1**	**1,399**	**0.2**
shareholders of RHÖN-KLINIKUM AG	**33,183**	**4.9**	**36,610**	**5.7**
Earnings per share in €				
undiluted	**0.24**		**0.27**	
diluted	**0.24**		**0.27**	

January through March	2012 € '000	2011 € '000
Net consolidated profit	**34,122**	**38,009**
of which		
minority interests	939	1,399
shareholders of RHÖN-KLINIKUM AG	33,183	36,610
Change in fair value of derivatives used for hedging purposes	-427	7,708
Income taxes	68	-1,220
Change in the amount recognised at equity (cash flow hedges)	**-359**	**6,488**
Sum of net gains or losses directly recognised in equity	**-359**	**6,488**
of which		
minority interests	0	0
shareholders of RHÖN-KLINIKUM AG	-359	6,488
Net consolidated profit and net gains or losses directly recognised in equity	**33,763**	**44,497**
of which		
minority interests	939	1,399
shareholders of RHÖN-KLINIKUM AG	32,824	43,098

Consolidated Balance Sheet at 31 March 2012

	31 March 2012		31 December 2011	
	€ '000	%	€ '000	%
A S S E T S				
Non-current assets				
Goodwill and other intangible assets	370,700	11.7	365,436	11.5
Property, plant and equipment	1,861,323	58.6	1,859,052	58.5
Investment property	4,598	0.1	4,653	0.1
Income tax receivables	11,692	0.4	11,572	0.4
Deferred tax assets	2,115	0.1	3,278	0.1
Other financial assets	310	0.0	310	0.0
Other assets	1,762	0.1	1,754	0.1
	2,252,500	**71.0**	**2,246,055**	**70.7**
Current assets				
inventories	47,963	1.5	50,292	1.6
Accounts receivable	381,704	12.0	351,973	11.1
Other financial assets	31,617	1.0	32,902	1.0
Other assets	23,954	0.8	11,510	0.4
Current income taxes receivable	73,447	2.3	4,997	0.2
Cash and cash equivalents	360,735	11.4	477,536	15.0
	919,420	**29.0**	**929,210**	**29.3**
	3,171,920	**100.0**	**3,175,265**	**100.0**

	31 March 2012		31 December 2011	
	€ '000	%	€ '000	%
SHAREHOLDERS' EQUITY AND LIABILITIES				
Shareholders' equity				
Subscribed capital	345,580	10.9	345,580	10.9
Capital reserve	395,994	12.5	395,994	12.5
Other reserves	846,306	26.7	813,483	25.6
Treasury shares	-76	0.0	-76	0.0
Equity attributable to shareholders of RHÖN-KLINIKUM AG	1,587,804	50.1	1,554,981	49.0
Minority interests held by non-Group third parties	44,629	1.4	43,677	1.3
	1,632,433	**51.5**	**1,598,658**	**50.3**
Non-current liabilities				
Financial liabilities	976,900	30.8	1,007,506	31.7
Provisions for post-employment benefits	9,210	0.3	8,905	0.3
Other financial liabilities	23,820	0.8	23,669	0.8
Other liabilities	3,510	0.1	4,341	0.1
	1,013,440	**32.0**	**1,044,421**	**32.9**
Current liabilities				
Financial liabilities	42,078	1.3	57,624	1.8
Accounts payable	113,682	3.6	128,994	4.1
Current income tax liabilities	6,255	0.2	8,728	0.3
Other provisions	17,266	0.5	20,710	0.6
Other financial liabilities	144,238	4.5	144,844	4.6
Other liabilities	202,528	6.4	171,286	5.4
	526,047	**16.5**	**532,186**	**16.8**
	3,171,920	**100.0**	**3,175,265**	**100.0**

Consolidated Changes in Equity

	Subcribed capital	Capital reserve	Other reserves 1)	Treasury shares	Equity attributable to shareholders of RHÖN-KLINIKUM AG	Minority interests held by non-shareholders in equity 1)	Shareholders' equity
	€ '000	€ '000	€ '000	€ '000	€ '000	€ '000	€ '000
Balance at 31 Dec. 2010/ 1 Jan. 2011	**345,580**	**395,994**	**717,381**	**-76**	**1,458,879**	**36,316**	**1,495,195**
Equity capital transactions with owners							
Capital contributions	-	-	-	-	0	5,108	5,108
Dividend payments	-	-	-	-	0	-	0
Net consolidated profit and net gains or losses directly recognised in equity	-	-	43,098	-	43,098	1,399	44,497
As at 31 March 2011	**345,580**	**395,994**	**760,479**	**-76**	**1,501,977**	**42,823**	**1,544,800**
Balance at 31 Dec. 2011/ 1 Jan. 2012	**345,580**	**395,994**	**813,483**	**-76**	**1,554,981**	**43,677**	**1,598,658**
Equity capital transactions with owners							
capital contributions	-	-	-	-	0	12	12
dividend payments	-	-	-	-	0	-	0
Net consolidated profit and net gains or losses directly recognised in equity	-	-	32,824	-	32,824	939	33,763
As at 31 March 2012	**345,580**	**395,994**	**846,307**	**-76**	**1,587,805**	**44,628**	**1,632,433**

[1]Including other comprehensive income (OCI)

Consolidated Cash Flow Statement

January through March	2012 €m	2011 €m
Earnings before taxes	41.0	45.9
Financial result (net)	7.5	4.7
Impairment and gains/losses on disposal of assets	31.8	28.1
Non-cash valuations of financial derivatives	0.0	0.0
	80.3	**78.7**
Change in net current assets		
Change in inventories	2.3	3.2
Change in accounts receivable	-29.7	-19.7
Change in other financial assets and other assets	-11.2	-6.8
Change in accounts payable	-13.0	-17.8
Change in other net liabilities / Other non-cash transactions	24.9	32.6
Change in provisions	-3.1	0.9
Income taxes paid	-76.0	-10.2
Interest paid	-22.3	-18.7
Cash used / generated by operating activities	**-47.8**	**42.2**
Investments in property, plant and equipment and in intangible assets	-37.1	-56.3
Acquisition of subsidiaries, net of cash acquired	-3.0	-13.6
Sale proceeds from disposal of assets	2.9	0.1
Interest received	2.3	2.0
Cash used in investing activities	**-34.9**	**-67.8**
Payments on contracting of non-current financial liabilities	0.0	20.0
Repayment of financial liabilities	-31.3	-2.3
Contributions from minority owners	0.0	5.1
Cash used/generated in financing activities	**-31.3**	**22.8**
Change in cash and cash equivalents	-114.0	-2.8
Cash and cash equivalents at 1 January	439.9	393.2
Cash and cash equivalents as at 31 March	**325.9**	**390.4**

Abridged Notes

GENERAL INFORMATION

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

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

The Interim Consolidated Financial Statements will be published on 26 April 2012 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 2012 have been prepared in accordance with the rules of section 37x of the German Securities Trading Act (Wertpapierhandelsgesetz, WpHG) and 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 Standard Interpretations Committee (IFRS IC). Furthermore, the provisions of the German accounting standard DRS 16 (interim financial reporting) were observed in the preparation of this Interim Report.

With the exception of the cases further described hereunder, the same accounting, valuation and calculation methods were applied as in the Consolidated Financial Statements for the financial year ending on 31 December 2011. The Interim Financial Statements of RHÖN-KLINIKUM AG as at 31 March 2012 for the first quarter of 2012 must therefore be read and assessed in conjunction with the Consolidated Financial Statements of RHÖN-KLINIKUM AG for the year ending 31 December 2011.

a) New accounting rules from financial year 2012

New standards and interpretations of no practical relevance from financial year 2012

As far as can be seen at present, the following revised standards which have not yet been adopted by the European Union are of no practical relevance for 2012 as well as subsequent financial years:

- Amendment to IAS 12 “Deferred Tax: Recovery of Underlying Assets”
- Amendments to IFRS 1 “Severe Hyperinflation and Removal of Fixed Dates”

b) New accounting rules from financial year 2013

New standards and interpretations of practical relevance from financial year 2013

As far as can be seen at present, the following revised and newly published standards which have not yet been adopted by the European Union are of practical relevance from financial year 2013:

- IFRS 10 “Consolidated Financial Statements”

In May 2011 the IASB, as part of a package of five new standards, published IFRS 10 “Consolidated Financial Statements”. It replaces the guidance contained in IAS 27 “Consolidated and Separate Financial Statements” and SIC-12 “Consolidation – special purpose entities” relating to control and consolidation. IFRS 10 changes the definition of control such that the same criteria now apply to all companies when determining a relationship of control. According to the changed definition, the prerequisites for control are power over the investee and variable returns from the involvement with the investee. Power over the investee means the possibility of currently directing the activities of the investee that have a material influence on variable returns. Such power is to be determined based on the current facts and circumstances and assessed on a continuous basis. A temporary investment relationship does not release a company from its consolidation duty. The application guidance of IFRS 10 provides examples which also show that control may also exist where fewer than 50% of voting rights are held. The principle of presenting the consolidated financial statement of the parent company and its subsidiaries as a single company as well as the consolidation methods remain unchanged. IFRS 10 is to be applied to financial years commencing on or after 1 January 2013. Early adoption is possible only in conjunction with the new provisions of IFRS 11 and IFRS 12 as well as the amendments to IAS 27 and IAS 28. No serious impacts on the accounting of companies are expected within the Group of RHÖN-KLINIKUM AG.

- IFRS 11 “Joint Arrangements”.

As a further part of the package of five new standards, IASB published IFRS 11 “Joint Arrangements” in May 2011. IFRS 11 defines a joint arrangement as an arrangement of which two or more parties have joint control over such arrangement by contract. Joint arrangements may be joint operations or joint ventures. In a joint operation, the parties to the joint arrangement have direct rights to the assets and liabilities of the arrangement. By contrast, in a joint venture the parties to the arrangement have rights to the net assets or results of the arrangement. Joint ventures are accounted for using the equity method in accordance with the amended version of IAS 28. Inclusion based on proportionate consolidation is no longer permitted. IFRS 11 is to be applied to financial years commencing on or after 1 January 2013. In this case, too, early adoption is possible only in conjunction with the new provisions of IFRS 10 and IFRS 12 as well as the amendments to IAS 27 and IAS 28. Since RHÖN-KLINIKUM AG already accounts for its joint ventures using the equity method, it is not affected by the amendment.

- IFRS 12 “Disclosures of Interests in Other Entities“

As the third of five new standards, IASB published IFRS 12 “Disclosures of Interests in Other Entities” in May 2011. It prescribes the required disclosures for entities accounting in accordance with the new standards IFRS 10 and IFRS 11. IFRS 12 replaces the disclosure duties contained in IAS 28. According to IFRS 12, entities must make disclosures enabling users of financial statements to assess the nature of as well as the risks and financial impacts associated with an entity’s interest in subsidiaries, joint arrangements and associates, and unconsolidated structured entities (special purpose entities). Disclosures are required in the following areas: material discretionary decisions and judgments to determine whether an entity controls, jointly controls, exercises a material influence over or has any other exposure to other entities, disclosures on interests in subsidiaries, interests in joint arrangements and associates, as well as interests in non-consolidated special purpose entities. IFRS 12 is to be applied to financial years commencing on or after 1 January 2013. Earlier adoption or earlier adoption in part is permitted regardless of the application of IFRS 10 and IFRS 11 and of the amendments to IAS 27 and IAS 28. RHÖN-KLINIKUM AG is currently reviewing the precise impact on the disclosures in the Notes. It is assumed that this will result in more extensive disclosures in the Notes.

- IFRS 13 “Fair Value Measurement”

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

- Revised version of IAS 27 “Separate Financial Statements”

In May 2011 the IASB, as part of a package of five new standards, published the revised version of IFRS 27 “Consolidated and Separate Financial Statements”. It is renamed IAS 27 “Separate Financial Statements” and in future only contains provisions on separate financial statements. The existing provisions remain unchanged. The amendments to IAS 27 are to be applied for the first time to financial years commencing on or after 1 January 2013. Early adoption is possible only in conjunction with IFRS 10, IFRS 11, IFRS 12 as well as IAS 28. No serious impacts on the accounting of companies are expected within the Group of RHÖN-KLINIKUM AG.

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

As the last of five new standards, IASB published IFRS 28 “Investments in Associates” in May 2011. It is renamed IAS 28 “Investments in Associates and Joint Ventures”. As before, IAS 28 describes the accounting of associates as well as use of the equity method for associates and jointly controlled entities. The amendments result from publication of IFRS 10, IFRS 11 and IFRS 12. The new IFRS 28 is to be applied for the first time to financial years commencing on or after 1 January 2013. Early adoption is possible only in conjunction with IFRS 10, IFRS 11, IFRS 12 as well as IAS 27. RHÖN-KLINIKUM AG is currently reviewing the precise impact in terms of accounting policies.

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

In June 2011 the IASB published amendments to IAS 1 “Presentation of Financial Statements“. This concerns the presentation of items stated in other income under the statement of comprehensive income. Accordingly, the items of other comprehensive income (OCI) are to be grouped together on the basis of whether or not in future they will be reclassified to the profit or loss section of the income statement (referred to as recycling). The amendment concerns only the presentation of the items in the comprehensive income statement, not the recognition, measurement of the items or requirements resulting from such recycling. The option of presenting the items before or after tax is maintained. Moreover, the term ‘comprehensive income statement’ was changed to ‘income statement and other income’. The amended standard is to be applied to financial years commencing on or after 1 July 2012. Earlier adoption is permitted. It affects presentation in the financial statement but not the net assets, financial position and results of operations.

- Amendments to IAS 19 “Employee Benefits”

In June 2011 the IASB published amendments to IAS 19 “Employee Benefits“. The most significant amendment to IAS 19 is that actuarial gains and losses are renamed as revaluations and are to be recognised immediately when they arise in other comprehensive income (OCI). The option between immediate recognition in profit or loss, in other comprehensive income (OCI) or according to the corridor approach is eliminated. In the event of plan amendments resulting in changes in the obligation to pay benefits attributable to work performed in past periods, a past service cost is created. It is recognised in the period in which the underlying plan amendment takes place and is no longer distributed. Benefits paid to employees which are still linked to the rendering of future work performance do not constitute termination benefits. IAS 19 requires more extensive disclosures in the Notes in connection with defined benefit plans, and in particular additional disclosures on the features and risks of the defined benefit plans. The amendments to IAS 19 are to be applied to financial years commencing on or after 1 January 2013. Earlier adoption is permitted. RHÖN-KLINIKUM AG is currently reviewing the precise impact in terms of accounting policies.

- Amendment to IFRS 7 “Disclosures – Offsetting Financial Assets and Financial Liabilities”

In December 2011 the IASB published amendments to IFRS 7 “Financial Instruments: Disclosures” with respect to offsetting financial assets and financial liabilities. It specifies further new disclosure obligations in connection with certain netting arrangements. Disclosure of this information is required regardless of whether the netting arrangement has actually resulted in a set-off of the financial assets and liabilities concerned. Qualitative descriptions and quantitative information of offsetting rights must be disclosed. The amendments are to be applied to financial years commencing on or after 1 January 2013. RHÖN-KLINIKUM AG is currently reviewing the precise impact in terms of accounting policies.

The following amended Standard which has not yet been adopted by the European Union is of practical relevance from financial year 2014:

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

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

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

- IFRS 9 “Financial Instruments”

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

The situation on the date of the Standard’s first-time adoption determines the classification according to the new rules.

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

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

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

New standards and interpretations of no practical relevance from financial year 2013

The following revised and newly published standards and interpretations which have not yet been adopted by the European Union are of no practical relevance for RHÖN-KLINIKUM AG for 2013 as well as subsequent financial years:

- IFRIC 20 “Stripping Costs in the Production Phase of a Surface Mine”
- Revision of IFRS 1 “First-time Adoption of International Financial Reporting Standards – Government Loans”

For further information on new Standards and interpretations and on revisions of existing Standards, we refer to our statements made in the 2011 Annual Report.

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

SCOPE OF CONSOLIDATION

RHÖN-KLINIKUM AG holds an equity interest in 103 domestic entities, of which 96 are fully consolidated, as well as companies accounted for using the equity method (of which one is a joint venture and the other an associated company). The other companies are recognised in the consolidated financial statements at the lower of cost or fair value.

Fully consolidated subsidiaries are all companies (including special-purpose entities) in which the Group exercises control over finance and business policy; this is normally accompanied by a share of more than 50.0% of the voting rights. When assessing whether the Group exercises control, the existence and impact of potential voting rights that are currently exercisable or convertible are considered.

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

In the bidding procedure for HSK, Dr. Horst Schmidt Kliniken GmbH Klinikum der Landeshauptstadt Wiesbaden, (hereinafter referred to as HSK Kliniken GmbH) and its subsidiaries, RHÖN-KLINIKUM AG submitted a notarised bid on 30 December 2011. This bid for a strategic partnership was accepted by HSK Rhein-Main GmbH and the City of Wiesbaden on 28 March 2012. RHÖN-KLINIKUM AG thus acquires 49% of the shares in HSK Kliniken GmbH. The purchase as at 28 March 2012 was effected subject to conditions precedent. Each year, HSK Kliniken GmbH treats a total of roughly 43 thousand patients in 1027 beds and generates revenues of over € 200 million. As a maximum-care hospital, HSK Kliniken GmbH employs roughly 3,100 employees at three sites. Since decisive conditions of validity in the purchase agreement had not yet all been met as at the quarterly financial statement, the company merger could not yet be included in the Consolidated Interim Financial Statement as at 31 March 2012. For this reason, it was not yet possible to allocate the purchase price as well as change accounting at HSK Kliniken GmbH to the accounting and valuation policies of RHÖN-KLINIKUM AG, which in turn meant that no detailed statements on the disclosures required pursuant to IFRS 3.59 et seq. could yet be made. We expect the purchase agreement to become valid within the second quarter of 2012, allowing us to then proceed with the consolidation of the company. We will promptly raise the hospital's standards to our level and in this connection are planning to construct a new hospital building within the next three to five years.

In the first quarter of financial year 2012, a total of 8.5 doctor's practices close to hospitals and five ophthalmological doctor's practices were acquired whose conditions of validity as per agreement were satisfied during the reporting period of the first quarter of 2012. Consolidation in the Group also took place in the first quarter of 2012. No 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 2012:

Purchase of doctor's practices, January - March 2012	Carrying amount before acquisition €m	Adjustment amount €m	Fair value post acquisition €m
Acquired assets and liabilities			
Intangible assets	0.0		0.0
Property, plant and equipment	0.8		0.8
Net assets acquired			**0.8**
+ goodwill			6.5
Cost			**7.3**
- purchase price payments outstanding			-4.3
- acquired cash and cash equivalents			0.0
Cash outflow on transaction			**3.0**

Moreover, four doctor's practices close to hospitals were acquired in the first three months of financial year 2012. Since the conditions of validity were met in accordance with agreement as at 1 April 2012, the doctor's practices will be transferred in the second quarter of 2012. Consolidation in the Group will also take place in the second quarter of 2012. No costs were incurred from the acquisition of the doctor's practices. The provisional purchase price allocation provides for the following effects on the Group's net assets in the second quarter of 2012:

Purchase of doctor's practices valid as at 1 April 2012	Carrying amount before acquisition €m	Adjustment amount €m	Fair value post acquisition €m
Acquired assets and liabilities			
Intangible assets	0.0		0.0
Property, plant and equipment	0.0		0.0
Net assets acquired			**0.0**
+ goodwill			0.4
Cost			**0.4**
- purchase price payments outstanding			-0.4
- acquired cash and cash equivalents			0.0
Cash outflow on transaction			**0.0**

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	2012 €m	2011 €m
Fields		
Acute hospitals	656.7	625.8
Medical care centres	13.6	9.8
Rehabilitation hospitals	12.0	11.6
	682.3	**647.2**
Federal states		
Bavaria	133.2	125.3
Saxony	98.0	90.0
Thuringia	79.3	76.9
Baden-Wuerttemberg	31.8	31.8
Brandenburg	30.7	29.0
Hesse	148.8	141.0
Mecklenburg-West Pomerania	1.7	1.6
Lower Saxony	106.4	104.2
North Rhine-Westphalia	20.5	16.5
Saxony-Anhalt	31.9	30.9
	682.3	**647.2**

According to IAS 18, revenues constitute revenues generated from the provision of services and rose compared with the same period last year by € 35.1 million or 5.4% to reach € 682.3 million. Adjusting for changes in the scope of consolidation amounting to € 2.6 million, this translates into organic growth of € 32.5 million or 5.0%, resulting among other things from increases in service volumes – with reference to patients – of 3.9% in the inpatient area.

Other operating income

January through March	2012 €m	2011 €m
Income from services rendered	38.1	35.1
Income from grants and other allowances	3.4	4.0
Income from adjustment of receivables	1.0	0.6
Income from indemnification payments / other reimbursements	0.5	0.4
Other	5.3	3.6
	48.3	**43.7**

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. reimbursements of employer expenditures under German maternity protection legislation, benefits under German legislation governing part-time employment for senior workers, government grants for material and personnel expenditures eligible for subsidies).

The rise in the other income item compared with the same period last year by € 4.6 million or 10.5% is essentially attributable to the € 3.0 million increase in income from services (in particular income from pharmacy sales as well as reimbursements for training) as well as to € 1.2 million higher profits from disposals of assets.

Other expenditures

January through March	2012 €m	2011 €m
Maintenance	21.5	24.5
Charges, subscriptions and consulting fees	15.3	13.8
Administrative and IT costs	5.2	5.2
Impairment on receivables	2.5	1.6
Insurance	3.3	3.2
Rents and leaseholds	4.2	3.7
Travelling, entertaining and representation expenses	1.8	1.8
Other personnel and continuing training costs	3.3	3.2
Secondary taxes	0.2	0.2
Other	5.1	5.4
	62.4	**62.6**

Compared with the same period last year, the other expenditures item declined by € 0.2 million or 0.3% to € 62.4 million and is thus nearly unchanged.

This was chiefly caused by the € 3.0 million decline in expenditures for maintenance and repairs in connection with various hospital construction projects that were completed in 2011. As a counter-effect to this, fees, subscriptions and consulting fees rose by € 1.5 million. This rise is attributable largely (to the tune of € 0.7 million) to the higher legal and advisory fees in connection with current and concluded hospital acquisition projects.

Depreciation/amortisation and impairment

Compared with the same period last year, the depreciation/amortisation item witnessed a rise of € 5.1 million to € 33.3 million. The rise is notably causally linked to the new hospital buildings in Gießen, Marburg and Hildesheim completed in 2011 as well as in Gifhorn in the first quarter of 2012.

Financial result

The financial result includes profit shares at companies accounted for at equity in the amount of € 7,000 (previous year: loss shares of € 12,000). Of the change in the financial result of € 2.8 million, € 2.1 million is attributable to lower recognised borrowing costs in the first quarter of 2012 on account of new hospital buildings completed in 2011.

Income taxes

January through March	2012	2011
	€m	€m
Current income tax	5.7	7.0
Deferred taxes	1.2	0.9
	6.9	**7.9**

The tax expense item declined by € 1.0 million to € 6.9 million compared with the previous year. Here, the main tax-reducing effect was the decline in the assessment basis. Helped by the ongoing effect from the profit-and-loss transfer agreements concluded in 2011, the tax ratio fell from 17.3% in the same period of the previous year to 16.8% during the reporting period.

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

	Goodwill €m	Other intangible assets €m	Total €m
Cost			
1 January 2011	**323.1**	**54.8**	**377.9**
Additions due to changes in scope of consolidation	12.6	0.0	12.6
Additions	0.0	0.4	0.4
Disposals	0.0	0.2	0.2
Transfers	0.0	0.1	0.1
31 March 2011	**335.7**	**55.1**	**390.8**
Cumulative depreciation and impairment			
1 January 2011	**0.0**	**31.0**	**31.0**
Depreciation	0.0	2.0	2.0
Disposals	0.0	0.1	0.1
31 March 2011	**0.0**	**32.9**	**32.9**
Balance sheet value at 31 March 2011	**335.7**	**22.2**	**357.9**

Property, plant & equipment

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

	Land and buildings	Technical plant and equipment	Operating and business equipment	Plant under construction	Total
	€m	€m	€m	€m	€m
Cost					
1 January 2011	**1,504.6**	**69.9**	**491.5**	**490.8**	**2,556.8**
Additions due to changes in scope of consolidation	0.1	0.0	0.9	0.0	1.0
Additions	3.5	0.2	6.4	28.4	38.5
Disposals	0.0	0.1	1.3	0.0	1.4
Transfers	73.3	2.4	8.4	-84.2	-0.1
31 March 2011	**1,581.5**	**72.4**	**505.9**	**435.0**	**2,594.8**
Cumulative depreciation and impairment					
1 January 2011	**403.5**	**42.6**	**283.2**	**0.0**	**729.3**
Depreciation	10.5	1.1	14.6	0.0	26.2
Disposals	0.0	0.1	1.3	0.0	1.4
Transfers	0.0	0.0	0.0	0.0	0.0
31 March 2011	**414.0**	**43.6**	**296.5**	**0.0**	**754.1**
Balance sheet value at 31 March 2011	**1,167.5**	**28.8**	**209.4**	**435.0**	**1,840.7**

Interests in companies accounted for at equity, at € 114,000 (31 December 2011: € 107,000) are reported under other assets (non-current) on the grounds of materiality.

Shareholders' equity

The increase in equity capital compared with the reporting date of 31 December 2011 by € 33.7 million to € 1,632.4 million results from net consolidated profit (€ 34.1 million), on the one hand, and from negative changes in the market values of derivative financial instruments designated as interest-rate hedging instruments (€ 0.4 million), on the other.

Under the minority interests held by non-Group third parties in equity capital amounting to € 44.6 million (31 December 2011: € 43.7 million), non-controlling interests in net consolidated profit within the meaning of IAS 1.83 are stated.

Financial debt and financial derivatives

The draw-down of the syndicated line of credit that has existed since 2006 in a volume of € 400 million was reduced from € 285.0 million on 31 December 2011 to € 255.0 million on 31 March 2012. The revolving line of credit in a volume of € 150 million existing since 2010 is not utilised as at 31 March 2012.

On 18 February 2010 the rating agency Moody's upgraded the institutional rating of RHÖN-KLINIKUM AG to the category Baa2 (stable outlook). This rating of Baa2 (stable outlook) was recently confirmed by Moody's in a Credit Opinion of 28 February 2012.

In the first quarter of 2012, no new interest-rate hedges were concluded. The hedge relationships designated as at 31 December 2011 between variable interest-rate loans and interest-rate derivatives have also existed since 31 March 2012.

As at 31 March 2012 a total of € 30.6 million (31 December 2011: € 30.3 million) was allocated from hedge relationships to the re-valuation reserve. In the first quarter of 2012, changes in the valuation of non-hedged derivatives in the amount of € 0.01 million (previous year: € 0.03 million) were recognised with earnings increasing effect in the financial result.

OTHER DISCLOSURES

Interests held in the Company

The shareholders specified below have notified the Company pursuant to section 21 et seq. of the WpHG that a voting interest of over 3% in the Company is held by them directly or attributed to them. The notified voting interests or numbers of shares may have changed since the relevant date of the notification and/or the relevant date on which the threshold was exceeded. The shareholders may have purchased or sold shares or the aggregate number of shares of the Company may have changed by the issuance of new shares. The notified voting interests and/or interest in the registered share capital were determined by the notifying entitles on the basis of the existing, and if applicable deviating aggregate number of shares at the time of the notification of voting rights. There are therefore overlaps between the shareholdings of the individual shareholders the precise extent of which, however, cannot be evaluated by RHÖN-KLINIKUM AG.

		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**
Alecta pensionsförsäkring ömesesidigt, Stockholm/Sweden	17 July 2009	9.94		**9.94**	15 July 2009	< 10%
Eugen Münch, Germany**	15 February 2007	9.74		**9.74**	26 September 2005	< 10%
Ingeborg Münch, Germany**	15 February 2007	6.42		**6.42**	17 April 2002	> 5%
Franklin Mutual Advisers, LLC, Short Hills/USA	9 February 2007		5.07	**5.07**	12 July 2006	> 5%
Franklin Mutual Series Funds, Short Hills/USA	6 October 2011	4.997			29 September 2011	< 5%
BlackRock, Inc., New York/USA	26 August 2011		3.08	**3.08**	24 August 2011	> 3%
BlackRock Holdco 2, Inc., Wilmington, Delaware / USA	26 August 2011		3.08		24 August 2011	> 3%
BlackRock Financial Management, Inc., New York/USA	26 August 2011		3.08		24 August 2011	> 3%
Sun Life Financial Inc., Toronto/Canada	2 July 2010		3.07	**3.07**	29 June 2010	> 3%
Sun Life Global Investors Inc., Toronto/Canada	2 July 2010		3.07		29 June 2010	> 3%
Sun Life Assurance Company of Canada - U.S. Operations Holding, Inc., Wellesleya Hills/USA	2 July 2010		3.07		29 June 2010	> 3%
Sun Life Financial (U.S.) Holdings, Inc, Wellesley Hills/USA	2 July 2010		3.07		29 June 2010	> 3%
Sun Life Financial (U.S.) Investments LLC, Wellesley Hills/USA	2 July 2010		3.07		29 June 2010	> 3%
Sun Life of Canada (U.S.) Financial Services Holdings, Inc., Boston/USA	2 July 2010		3.07		29 June 2010	> 3%
Massachusetts Financial Services Company (MFS), Boston/USA	2 July 2010	3.07			29 June 2010	> 3%
Templeton Investment Counsel, LLC, Wilmington, Delaware, USA	4 April 2011		3.05	**3.05**	29 March 2011	> 3%

* The capital increase of 6 August 2009 is not reflected in interests exceeding/falling below the threshold before the key date of 6 August 2009.
** By reason of the capital increase of 6 August 2009, the Company was informed that the voting interest of the Münch family at this time totals 12.45% without exceeding/falling below a notification threshold.

As at 31 March 2012, the Company holds 24,000 treasury shares. This corresponds to 0.017% of the voting rights.

Corporate Bodies and Advisory Board

Since the last reporting date, the composition of the Supervisory Board has remained unchanged. Regarding the composition of the Supervisory Board as well as its allocation of duties and responsibilities, please refer to the Annual Report as at 31 December 2011.

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 2011.

The composition of the Advisory Board as well as its distribution of duties and responsibilities have not changed since 31 December 2011.

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 2011. 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 2011. The same applies for the financial receivables and/or liabilities that existed with related parties.

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

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

The contractual remuneration for the members of the Supervisory Board, the Board of Management and the Advisory Board has remained unchanged since the last reporting date.

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

No notifications of transactions pursuant to section 15a of the WpHG by members of the Board of Management or the Supervisory Board (directors' dealings) were recorded during the first quarter of 2012.

Employees

At the reporting date of 31 March 2012 the Group employed a total of 39,380 persons (31 December 2011: 39,325 persons). In this increase by 55 versus the reporting date of 31 December 2011, 85 persons were added as a result of staffing increases at our MVZ companies and 23 persons as a result of staffing increases at our hospitals. This compares with staff reductions by 53 persons at our service companies.

Other financial obligations

The investment obligations resulting from company purchase agreements declined as a result of the investments made by the reporting date to € 34.2 million (31 December 2011: € 42.0 million). The remaining other financial obligations have not changed significantly since the last reporting date.

Contingent liabilities

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

Earnings per share

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

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

	No. of shares on 31 March 2012	**No. of shares on 31 March 2011**
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 2012**	**31 March 2011**
Share in net consolidated profit (€ '000)	33,183	36,610
Weighted average number of shares in issue in '000 units	138,208	138,208
Earnings per share in €	0.24	0.27

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 € 34.8 million (previous year: € 4.7 million) are deducted from cash and cash equivalents. The cash flow statement has included a figure of € 25.0 million (previous year: € 18.3 million) for outstanding construction invoices and a figure € 0.01 million (previous year: € 0.03 million) for non-cash income from financial derivatives.

Bad Neustadt a. d. Saale, 19 April 2012

RHÖN-KLINIKUM AG

THE BOARD OF MANAGEMENT

Volker Feldkamp Dr. Erik Hamann Martin Menger

Wolfgang Pföhler Dr. Irmgard Stippler

KEY RATIOS

KEY RATIOS JANUARY THROUGH MARCH 2012 / JANUARY THROUGH MARCH 2011

Data in € m	Jan. – Mar. 2012	Jan. – Mar. 2011	Change in %
Revenues	682.3	647.2	5.4
Materials and consumables used	178.0	167.6	6.2
Employee benefits expense	408.4	381.9	6.9
Depreciation/amortisation and impairment	33.3	28.2	18.1
Net consolidated profit according to IFRS	34.1	38.0	-10.3
Earnings share of RHÖN-KLINIKUM AG shareholders	33.2	36.6	-9.3
Earnings share of minority interests	0.9	1.4	-35.7
Return on revenue (%)	5.0	5.9	-15.3
EBT	41.0	45.9	-10.7
EBIT	48.5	50.6	-4.2
EBIT - ratio (%)	7.1	7.8	-9.0
EBITDA	81.8	78.8	3.8
EBITDA ratio (%)	12.0	12.2	-1.6
Operating cash flow	66.0	66.1	-0.2
Property, plant and equipment as well as investment property	1,865.9	1,845.5	1.1
Non-current income tax claims	11.7	13.6	-14.0
Equity according to IFRS	1,632.4	1,544.8	5.7
Return on equity, %	8.5	10.0	-15.0
Balance sheet total according to IFRS	3,171.9	3,085.1	2.8
Investments			
in property, plant and equipment, intangible assets as well as in investment property	42.2	52.5	-19.6
in other assets	0.0	0.0	0.0
Earnings per ordinary share (€)	0.24	0.27	-11.1
Number of employees (headcount)	39,380	38,174	3.2
Case numbers (patients treated)	609,896	579,632	5.2
Beds and places	16,060	15,972	0.6

FINANCIAL CALENDAR

DATES FOR SHAREHOLDERS AND ANALYSTS

2012

26 April 2012	Results Press Conference: Publication of 2011 Annual Financial Report
26 April 2012	Publication of Interim Report for the quarter ending 31 March 2012
13 June 2012	Annual General Meeting (at the Jahrhunderthalle Frankfurt)
9 August 2012	Publication of Half-Year Financial Report as at 30 June 2012
8 November 2012	Publication of Interim Report for the quarter ending 30 September 2012

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This Interim Report is also available
in German.