HALF-YEAR FINANCIAL REPORT 2014

RHÖN-KLINIKUM AKTIENGESELLSCHAFT

CONTENTS

LETTER TO SHAREHOLDERS

Dear Shareholders,

The first half of 2014 – like the first quarter of 2014 – continued to feel the effects of the now concluded transfer of a total of 40 hospitals to Fresenius/Helios.

Nearly all interests of relevance for the transaction were legally and actually transferred at the end of February 2014. After the City of Wiesbaden had also given its approval, the shares in Dr. Horst Schmidt Kliniken in Wiesbaden were lastly also transferred to Fresenius/Helios. Consequently, the sale of all remaining transaction-relevant facilities was completed in the second quarter of 2014.

For the hospitals in Boizenburg and Waltershausen-Friedrichroda, which for reasons of antitrust law initially remained in our Company, structured bidding procedures have now been initiated. For all facilities which are up for sale, reasonable consideration is being given in this context to ensuring the medical care mandate and future viability of the facilities well as to safeguarding the interests of patients and employees.

After the end of the first half, the hospital in Cuxhaven, which had also initially been retained in our portfolio, was sold in a second attempt to Fresenius/Helios: the German Federal Cartel Office had conducted a new market study to determine the current situation. As a result, Fresenius/Helios succeeded in obtaining clearance for the acquisition of Krankenhaus Cuxhaven from the Federal Cartel Office; the shares were transferred on 31 July 2014.

On 12 June 2014 the Annual General Meeting in Frankfurt am Main, upon the proposal of the Board of Management and the Supervisory Board, resolved to make a payment to the shareholders out of the proceeds from the transaction with Fresenius/Helios of up to roughly € 1.67 billion in a share buy-back. With this mechanism, the Company's registered share capital is adjusted to the smaller company size resulting from the transaction, on the one hand; and all Shareholders not wishing to continue to be invested in us under the changed circumstances are given the advantage of an exit option having only a moderate impact on the share price, on the other. At the same time, Shareholders may realise the value increase of their interest by tending their shares.

This purchase offer made to the Shareholders, however, may be started and carried out only when the resolution adopted on the capital reduction has been entered into the commercial register.

Following the end of the first half, namely on 15 July 2014, a voidance action was filed against the resolution of the Annual General Meeting. The Company rates the prospects of success of the voidance action filed as low. Nevertheless, the lodging of this action initially results in the recording of the resolution by the Annual General Meeting in the commercial register being delayed. For further information we refer to the information provided by our Company published inter alia on our website and regularly updated.

The exceptional situation that is being heavily influenced by the closing of the transaction is clearly reflected in the business figures for the first half of 2014. The interim report for this period covers the first two months of the year under full consolidation of the entire previously existing portfolio as well as the portfolio that has been adjusted since March by the transaction-relevant interests. In addition to that were numerous – primarily positive – one-off effects and burdens resulting from the transaction.

Bearing in mind this special situation, the Group's consolidated hospitals treated a total of 862,586 patients during the first half. Revenues stood at € 959.1 million. Given the sale proceedings realised, earnings before interest, tax and depreciation/amortisation (EBITDA) total € 1,354.5 million.

The Company's structural re-orientation as well as the digestion of further consequences of the transaction will therefore have a decisive impact on the further course of the financial year and thus on our figures. Given these overall circumstances, we will not give any targets for revenues and earnings for the current financial year 2014.

For the coming financial year 2015, the Company's first full financial year under the new structure, we expect revenues in the range of € 1.06 billion to € 1.12 billion as well as earnings before interest, tax and depreciation/amortisation (EBITDA) of between € 145 million and € 155 million. Given our regulated market environment, this outlook is subject to any legislative measures impacting the general environment of hospital financing.

The revamping of our Company from a heterogeneous grouping of highly different facilities into a group of highly efficient hospitals focused on cutting-edge medicine is gathering pace. In this regard, the focus of interest is on innovation and treatment excellence. Our stated aim is to treat our patients with the most state-of-the-art medical equipment and based on the latest therapies and research findings.

Increasingly, a key role in the re-orientation of our Company is being played by our Medical Board which commenced its work in the second quarter. It recruits its members from amongst top physicians from all sites of our Company and has been entrusted the task of specifically designing the medical strategy of RHÖN-KLINIKUM AG, pressing ahead with its implementation and synchronising it with the Company's corporate objectives. The Medical Board moreover evaluates medical innovations and ensures that these are selectively implemented in diagnosis and therapy. At the same time, current studies as well as our facilities' own research findings are put to work with a view to achieving optimum treatment of our patients. The spokesperson of the Medical Board is Univ.-Prof. Dr. med. Jochen A. Werner (UKGM, Marburg), and his deputy is Prof. Dr. med. Bernd Griewing (Neurology Clinic, Bad Neustadt).

The Company's reorientation towards innovation and treatment excellence closely along the lines of university cutting-edge medicine is also consistent with the significant progress achieved in the first half in the realisation of the particle therapy facility at the university hospital in Marburg. Agreement has been reached on the key contractual terms and conditions for the purchase and operation of the facility. These are now being specifically set out in a contract. Given the complexity of the subject matter as well as numerous necessary individual contracts, this process will still take some time. Assuming the continued positive course of the negotiations and based on a scheduled commissioning process, we expect to be able to treat the first patients in this globally leading cancer treatment facility in the course of 2015.

In addition to that, intensive efforts are under way with a view to specifically forging ahead with the concept of networked medicine together with our network partners Fresenius/Helios and Asklepios. This relates to the required structural and organisational measures but also marketing and communication. In future, the partners will pursue the project with a joint venture called "Wir für Gesundheit" (English: approx.

“Working together for health”). The objective continues to be an operator-open, national network of qualified providers in which outpatient and inpatient healthcare services will be provided as part of an employer-financed supplementary insurance scheme for patients both under both statutory and private health insurance.

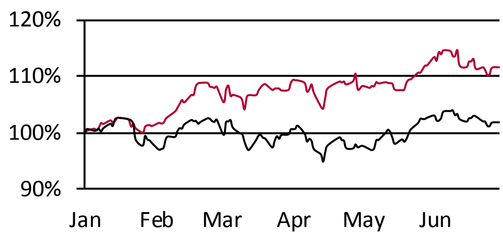
The practical implementation of the project will help spur the Company’s further development noticeably in the medium term.

Yours sincerely,
RHÖN-KLINIKUM AG

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

THE RHÖN-KLINIKUM SHARE

In the first half of 2014, developments on the international stock markets were helped by the continuation of an expansive monetary policy. On 5 June 2014, the council of the European Central Bank (ECB) adopted a decision for an extensive relaxing of monetary policy to fight very low levels of inflation seen throughout the euro zone. Negative effects resulted from political uncertainties (Ukraine, Iraq, Syria) as well as a weaker-than-expected trend in the global economy. Despite the numerous adverse factors, some indices reached new interim highs. For example, the DAX® for the first time closed at over 10,000 points on 9 June 2014. Overall, the DAX® posted a gain of roughly 2.9% over the first half of the year. The MDAX® gained moderately by roughly 1.5%.



The share of RHÖN-KLINIKUM AG outperformed in the first half of 2014 with a rise of 13.5%, ending the first half at a closing price of € 24.12. This positive development was driven amongst other things by company headlines on the ongoing development in the transaction with Fresenius. On 20 February 2014 the final approval by the Federal Cartel Office and on 16 June 2014 the closing of the sale of 40 hospitals to Fresenius/Helios were announced.

At the end of the first half of the year our market capitalisation, including all issued 138.23 million non-par shares, stood at € 3.3 billion (31 December 2013: € 2.9 billion). In the MDAX® we thus ranked 22nd by market capitalisation (31 December 2013: 23rd).

RHÖN-KLINIKUM share		
ISIN		DE0007042301
Ticker symbol		RHK
Registered share capital		345,580,000 €
Number of shares		138,232,000
	30 June 2014	**31 Dec. 2013**
Market capitalisation (€ m)	3,334.16	2,938.81
Share prices (€)	**1 Jan.-30 June 2014**	**1 Jan.-31 Dec. 2013**
Closing price	24.12	21.26
High	24.78	21.49
Low	21.62	14.60

This year's Annual General Meeting was held on 12 June 2014 in Frankfurt am Main. The resolved dividend of € 0.25 per share was paid on 13 June 2014. A voidance action was filed against the resolutions on the appropriation of profit, the planned share buy-back and the election of Prof. Dr. h. c. Ludwig Georg Braun as member of the Supervisory Board. We deem the resolutions targeted by the action of voidance to be lawful and intend to defend ourselves against the action.

On 7 November 2014 we will publish our interim report for the quarter ending on 30 September 2014.

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

GROUP INTERIM REPORT OF THE MANAGEMENT

REPORT ON THE FIRST HALF OF 2014

- In the first half, RHÖN-KLINIKUM AG sold a portfolio of 40 facilities, medical care centres (MVZs) and other affiliated interests to HELIOS Kliniken GmbH and Fresenius SE & Co. KGaA. Taking account of the valuation under German antitrust law, the hospitals in Boizenburg, Cuxhaven and Waltershausen-Friedrichroda were initially left out of the filing to the Federal Cartel Office. With the City of Wiesbaden also having given its approval for the sale of Dr. Horst Schmidt Kliniken in the second quarter of 2014, the sale of all transaction-relevant facilities was concluded. For the hospitals in Boizenburg and Waltershausen-Friedrichroda, structured bidding procedures have now been initiated. For the hospital in Cuxhaven, the Federal Cartel Office conducted a new market study to determine the current situation and subsequently issued antitrust approval of the sale. The interests were transferred as at 31 July 2014.

  The sites in Bad Neustadt, Bad Berka, Frankfurt (Oder) as well as Universitätsklinikum Gießen und Marburg are excluded from the transaction. With these five sites, RHÖN-KLINIKUM AG is forming a new, highly specialised hospital portfolio with an innovation-driven focus on treatment excellence.

- From the sale of the subsidiaries, we report a result of € 1,320.0 million in the first half of 2014.

- In the first six months of financial year 2014, we generated revenues of € 959.1 million (same period last year: € 1,506.8 million) and EBITDA influenced by the transaction of € 1,354.5 million (same period last year: € 151.5 million) as well as a net consolidated profit of € 1,213.9 million (same period last year: € 50.8 million).

BASIC PRINCIPLES OF THE RHÖN-KLINIKUM GROUP

The abridged interim consolidated financial statements of RHÖN-KLINIKUM AG for the year ended 30 June 2014 have been prepared in accordance with the provisions of IAS 34 in abridged form, and applying section 315a of the German Commercial Code (Handelsgesetzbuch, HGB) in accordance with International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB) as well as the related Interpretations of the International Financial Reporting Interpretations Committee (IFRIC), which are the subject of mandatory adoption in accordance with the Regulation No 1606/2002 of the European Parliament and of the Council on the application of international accounting standards in the European Union in financial year 2014.

The accounting and valuation methods applied, to the extent already applied in financial year 2013 and consistently applied in financial year 2014, are set out in detail in the Consolidated Financial Statement of RHÖN-KLINIKUM AG as at 31 December 2013. The accounting and valuation methods applicable in principle for the first time in financial year 2014 are explained in the Abridged Notes to this Interim Report. On a current view, these will have only the effects as stated in the Abridged Notes on the net assets, financial position and results of operations of RHÖN-KLINIKUM AG.

In connection with the share purchase agreement entered into between RHÖN-

KLINIKUM AG, HELIOS Kliniken GmbH and Fresenius SE & Co. KGaA, 40 hospitals were directly transferred to Fresenius/Helios in the first half of 2014. The subsidiaries not yet effectively sold as at the key date of 30 June 2014 were reported separately in the Consolidated Balance Sheet under separate current balance sheet items – on both the assets and liabilities side – as assets and liabilities held for sale applying IFRS 5. On the assets side, € 53.4 million was reclassified from non-current assets to current assets, and on the liabilities side € 0.5 million from non-current debt capital to current debt capital.

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

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

CORPORATE GOVERNANCE

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

With effect from 28 February 2014, Ms. Annett Müller and Mr. Werner Prange left our Supervisory Board because of the transaction. Prof. Dr. Jan Schmitt resigned his Supervisory Board mandate with effect from 30 April 2014 and Mr. Detlef Klimpe with effect from 12 June 2014. They were succeeded to the Supervisory Board by Mr. Oliver Salomon with effect from 9 April 2014, Mr. Klaus Hanschur with effect from 17 April 2014, Dr. Franz-Josef Schmitz with effect from 1 May 2014 and Prof. Dr. h. c. Ludwig Georg Braun with effect from 12 June 2014.

The notifications pursuant to section 21 et seq. of the Securities Trading Act (Wertpapierhandelsgesetz, WpHG) that we received in the first half of 2014 are presented in the Notes to this Financial Report. We refer to our homepage for a detailed list of the notifications.

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

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

ECONOMIC REPORT

MACROECONOMIC AND INDUSTRY ENVIRONMENT

The current Business Climate Index for the month of July 2014 has shown a decline for the third month in a row. The good shape of German companies thus saw a slight deterioration compared with the first quarter of 2014.

Companies' expectations for the coming months and the outlook for their future business performance are less optimistic. This is also revealed by the Business Climate Index for July 2014. Uncertainty regarding the development in the Ukraine and general geopolitical tensions are taking their toll on the global economy.

The trend in the economy is reviving the German employment market, which has now started to move sideways. Employment continues to grow. Unemployment and underemployment saw a slight increase in June 2014 as a result of seasonal factors. The number of unemployed declined further in June. The jobless rate was thus flat in June at 6.7%. The consumer price index as calculated by the Federal Statistical Office stands at 1.0% in Germany for June compared with the same month last year, thus weakening slightly compared with the first quarter.

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

The remuneration of hospitals did see a slight improvement with the new provisions on the orientation value (*Orientierungswert*). The purpose of the orientation value, to be calculated by the German Federal Statistical Office (Destatis) from the trend of various cost components, defines the scope of price adjustments for hospital services. Originally, it was to completely replace the rate of change in aggregate income (*Grundlohnrate*) as the assessment basis. Under the new provision, however, the orientation value is compared with the rate of change in aggregate income, with the higher value being applied. For the year 2014 the rate of change in aggregate income is being applied.

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

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

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

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

PERFORMANCE OF THE FIRST HALF

Overall statement on economic position

January through June	2014	2013	Change	
	€ m	€ m	€ m	%
Revenues	959.1	1,506.8	-547.7	-36.3
EBITDA	1,354.5	151.5	1,203.0	N.A.
EBIT	1,306.8	81.4	1,225.4	N.A.
EBT	1,234.2	62.2	1,172.0	N.A.
Operating cash flow	1,261.0	121.3	1,139.7	N.A.
Consolidated result	1,213.9	50.8	1,163.1	N.A.

At the end of February 2014, a portfolio of 39 facilities, medical care centres (MVZs) and other affiliated interests was sold to HELIOS Kliniken GmbH and to Fresenius SE & Co. KGaA (inclusion in Interim Consolidated Financial Statements based on two months of business activity). After the City of Wiesbaden also gave its approval for the sale in the second quarter of 2014, HSK, Dr. Horst Schmidt Kliniken GmbH was also transferred to Fresenius/Helios (inclusion in Interim Consolidated Financial Statements based on five months of business activity).

Driven by the sale of the hospital subsidiaries, accompanied by income from the sale amounting to € 1,320.0 million, we reported an increase in EBITDA by € 1,203.0 million, an increase in EBIT by € 1,225.4 million and an increase in net consolidated profit by € 1,163.1 million.

For the RHÖN-KLINIKUM Group, the first half of 2014 thus had a decisive impact and lends itself to only limited comparison with the first half of the previous year. In addition to that were numerous one-off effects resulting from the transaction.

In all other respects, conditions within the hospital sector have been the same for several years. The ever widening gap between revenues and costs within the hospital sector has been having an impact on the operating side.

We, as the RHÖN-KLINIKUM Group, will concentrate on the remaining hospitals and forge ahead with medical reorientation towards innovation and treatment excellence closely along the lines of cutting-edge university medicine.

For example, in the first half of the current financial year we have made significant progress in the realisation of the particle therapy facility at the university hospital in Marburg. Agreement has been reached on the key contractual terms and conditions for the purchase and operation of the facility, which are currently being set out in the form of contractual provisions. In addition to that, intensive efforts are under way with a view to specifically forging ahead with the concept of networked medicine together with our network partners Fresenius/Helios and Asklepios.

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

Trend in service volumes

	Hospitals	Beds
As at 31 December 2013	**53 ***	**17,113**
Change in capacities	-40	-11,302
As at 30 June 2014	**13**	**5,811**

* Merger of two hospitals at Leizpig site prior to the sale

As at 30 June 2014 our consolidated financial statements include 13 hospitals with 5,811 beds/places at a total of 8 sites in six federal states. The decline compared with the reporting date of 31 December 2013 stems from the sale of 40 hospitals with 11,302 beds/places to Fresenius/Helios in the first half of 2014.

As at 30 June 2014, we operate 9 MVZs with a total of 42.25 specialist physician practices:

	Date	MVZs	Specialist physician practices
As at 31 December 2013		**39**	**179.00**
Opened/acquired			
58 sites		-	6.00
Disposals			
Various sites		-30	-142.75
As at 30 June 2014		**9**	**42.25**

Disposals relate to 30 medical care centres (MVZs) with a total of 142.75 specialist doctor's practices in connection with the sale of subsidiaries to Fresenius/Helios and to doctors practising at the MVZs.

Patient numbers at our hospitals and MVZs developed as follows:

January through June	2014	2013	Change absolute	%
Inpatient and day-case treatments,				
acute hospitals	221,198	381,858	-160,660	-42.1
rehabilitation hospitals and other facilities	3,809	5,694	-1,885	-33.1
	225,007	387,552	-162,545	-41.9
Outpatient attendances at our				
acute hospitals	390,891	609,845	-218,954	-35.9
MVZs	246,688	348,861	-102,173	-29.3
	637,579	958,706	-321,127	-33.5
Total	**862,586**	**1,346,258**	**-483,672**	**-35.9**

In the first six months of financial year 2014, a total of 862,586 patients (-483,672 patients/ -35.9%) were treated in the Group's hospitals and MVZs. The decline stems from the sale of hospitals to Fresenius/Helios in the first half of 2014.

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

January through June	2014	2013
Case revenue		
inpatient (€)	3,936	3,641
outpatient (€)	115	100

Results of operations

January through June	2014 €m	2013 €m	Change €m	%
Income				
Revenues	959.1	1,506.8	-547.7	-36.3
Other income	86.4	104.8	-18.4	-17.6
Total	**1,045.5**	**1,611.6**	**-566.1**	**-35.1**
Expenditure				
Materials and consumables used	261.2	392.6	-131.4	-33.5
Employee benefits expense	606.4	918.1	-311.7	-34.0
Other expenditure	143.4	149.4	-6.0	-4.0
Total	**1,011.0**	**1,460.1**	**-449.1**	**-30.8**
Result from deconsolidation of subsidiaries	**1,320.0**	**0.0**	**1,320.0**	N.A.
EBITDA	**1,354.5**	**151.5**	**1,203.0**	N.A.
Depreciation	47.7	70.1	-22.4	-32.0
EBIT	**1,306.8**	**81.4**	**1,225.4**	N.A.
Financial result	72.6	19.2	53.4	278.1
EBT	**1,234.2**	**62.2**	**1,172.0**	N.A.
Income taxes	20.3	11.4	8.9	78.1
Net consolidated profit	**1,213.9**	**50.8**	**1,163.1**	N.A.

As a result of the sale of 40 hospitals, medical care centres and other affiliated interests to Fresenius/Helios for the most part at the end of February 2014 (inclusion in the Interim Consolidated Financial Statements based on two months of business activity), we reported, compared with the first six months of financial year 2013, in conjunction with

- a decline in income (revenues, other income) by € 566.1 million or 35.1% to € 1,045.5 million,
- a decline in expenditure (materials and consumables expense, employee benefits expense, other expenditure) by € 449.1 million or 30.8% to € 1,011.0 million, and
- income from the disposal of entities (result of deconsolidation of subsidiaries) amounting to € 1,320.0 million

an increase in EBITDA by € 1,203.0 million to € 1,354.5 million, an increase in EBIT by € 1,225.4 million to € 1,306.8 million, and an increase in net consolidated profit by € 1,163.1 million to € 1,213.9 million.

January through June	2014 %	2013 %
Cost of materials ratio	27.2	26.1
Personnel cost ratio	63.2	60.9
Other cost ratio	15.0	9.9
Depreciation and amortisation ratio	5.0	4.7
Financial result ratio	7.5	1.3
Tax expenditure ratio	2.1	0.7

The material expenditure item declined in the first half of 2014 compared with the same period last year by € 131.4 million or 33.5% to € 261.2 million as a result of the sale of subsidiaries in the first half of the current financial year. The cost-of-materials ratio rose from 26.1% to 27.2% as a result of use of articles entailing higher material costs at our facilities of cutting-edge medicine.

The employee benefits expense and other expenditures declined compared with the first six months of 2013 likewise as a result of the sale of hospital subsidiaries. Whilst employee benefits expenses declined by € 311.7 million or 34.0%, we record in other expenditures a decline by € 6.0 million or 4.0%. One counter-effect seen in the employee benefits expense resulted from the virtual shares granted to the members of the Board of Management. In the first half of 2014, the Company successfully pressed ahead further with intensive efforts to realise the particle therapy centre at the site of the university hospital in Marburg. In consultation with the Federal State of Hesse, Siemens AG as owner of the facility, as well as Heidelberg University Hospital, the key aspects regarding the acquisition and operation of the facility were defined. These key aspects are currently being specifically set out in contractual form. In the interests of long-term operating safety, the particle therapy centre in Marburg in future will be operated by a company jointly controlled by RHÖN-KLINIKUM AG and Universitätsklinikum Heidelberg – “Marburger Ionenstrahl-Therapiezentrum GmbH (MIT GmbH)”. One-off expenses recognised under other expenses are being incurred in this connection. The personnel cost ratio rose from 60.9% to 63.2% and the other expense ratio from 9.9% to 15.0%.

From the sale of the subsidiaries under the transaction with Fresenius/Helios, income of € 1,320.0 million was generated in the first half of 2014.

The depreciation item declined compared with the same period of the previous year by € 22.4 million or 32.0% to € 47.7 million. The decline is attributable to the sale of hospital subsidiaries as well as the related adjustments in connection with IFRS 5. Pursuant to IFRS 5, non-current assets may not be amortised as long as they are classified as assets held for sale. Moreover, an expenditure-increasing effect in the amount of € 15.7 million results from the full impairment on the building of PTZ GmbH in the second quarter of 2014. This impairment relates to the realisation of the particle therapy facility at the university hospital in Marburg and to contractual terms and conditions for the purchase and operation of the facility.

Compared with the same period last year, we recorded a rise in our negative financial result by € 53.4 million in the first half of 2014. The rise is the result of the early redemption of financial liabilities and the accompanying breakage (prepayment) costs and fees.

As at 30 June 2014, net debt to banks – including finance lease liabilities – was € 0.0 million (31 December 2013: € 730.6 million) and breaks down as follows:

	30 June 2014 € m	31 Dec. 2013 € m
Cash	2,284.9	156.9
Current financial liabilities	2.5	121.1
Non-current financial liabilities	161.8	750.8
Finance lease liabilities	2.0	41.1
Financial liabilities	166.3	913.0
Subtotal	-2,118.6	756.1
Negative market value of derivatives (current)	0.0	0.0
Negative market value of derivatives (non-current)	0.0	-25.5
Total	-2,118.6	730.6
Net financial debt	**0.0**	**730.6**

Including held-for-sale assets and liabilities

At an unchanged rate of taxation, the income tax expense item rose as a result of the transaction by € 8.9 million to € 20.3 million (previous year: € 11.4 million) compared with same period of the previous year.

Compared with the same period last year, net consolidated profit of the first six months rose by € 1,163.1 million to € 1,213.9 million (previous year: € 50.8 million).

Non-controlling interests in profit rose compared with the same period last year by € 0.2 million to € 2.1 million.

The interest of RHÖN-KLINIKUM AG shareholders in profit for the first six months of 2014 rose by € 1,211.8 million compared with the same period last year. The interest in profit of the shareholders corresponds to earnings per share of € 8.77 (previous year: € 0.35) in accordance with IAS 33.

The total result (sum of net consolidated profit and other earnings) stood at € 1,234.8 million (previous year: € 59.4 million) in the first six months of financial year 2014. Whereas in the previous year, positive changes in the market values of our financial instruments of € 8.7 million (after tax) were recognised directly at equity, positive changes in our financial instruments to the tune of € 20.9 million (after tax) due to the redemption of the respective underlying transaction also had to be recognised directly at equity in the first six months of the current financial year.

Net assets and financial position

	30 June 2014		31 December 2013	
	€ m	%	€ m	%
ASSETS				
Non-current assets	843.9	24.4	886.9	28.6
Current assets	2,620.3	75.6	2,211.3	71.4
	3,464.2	**100.0**	**3,098.2**	**100.0**
SHAREHOLDERS' EQUITY AND LIABILITIES				
Shareholders' equity	2,864.5	82.7	1,666.7	53.8
Long-term loan capital	183.1	5.3	742.6	24.0
Short-term loan capital	416.6	12.0	688.9	22.2
	3,464.2	**100.0**	**3,098.2**	**100.0**

Compared with the balance sheet date of 31 December 2013, the balance sheet total rose by € 366.0 million or 11.8% to € 3,464.2 million. The rise essentially is the result of the liquidity generated from the sale of hospital subsidiaries to Fresenius/Helios, comparing with corresponding disposals of assets and liabilities of the sold subsidiaries and redemptions of financial liabilities.

The assets and liabilities of the subsidiaries not yet effectively sold (Boizenburg, Cuxhaven, Waltershausen-Friedrichroda sites) were reported separately in the Consolidated Balance Sheet under separate current balance sheet items – on both the assets and liabilities side – applying IFRS 5. On the assets side, € 53.4 million was reclassified from non-current assets to current assets, and on the liabilities side € 0.5 million from non-current debt capital to current debt capital.

We financed our equity-financed investments amounting to € 23.1 million fully from operating cash flow of generated in the first half of the year.

As a result of the transaction, the equity capital ratio rose compared with the last reporting date from 53.8% to 82.7%.

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

Shareholders' equity	2014			2013
	Share-holders	Non-controlling interests	Total	Total
	€ m	€ m	€ m	€ m
As at 1 January	**1,645.0**	**21.7**	**1,666.7**	**1,606.9**
Equity capital transactions with owners	-34.6	0.0	-34.6	-37.8
Total result of the period	1,232.7	2.1	1,234.8	59.4
Other changes	0.0	-2.4	-2.4	0.0
As at 30 June	**2,843.1**	**21.4**	**2,864.5**	**1,628.5**

As at 30 June 2014, equity stands at € 2,864.5 million (31 December 2013: € 1,666.7 million). The increase in equity capital by € 1,197.8 million stems from net consolidated profit for the first six months of financial year 2014 (€ 1,213.9 million) as well as from the recognition of positive effects of financial derivatives designated as interest-rate hedging instruments resulting from the redemption of the respective underlying transaction (€ 20.9 million), which compare with distributions to shareholders

(€ 34.6 million) as well as changes in the scope of consolidation (€ 2.4 million).

361.1% (31 December 2013: 271.7%) of non-current assets is nominally covered by equity and non-current liabilities at fully matching maturities. The rise results from the sale of hospital subsidiaries to Fresenius/Helios. Net financial debt declined since the last reporting date from € 730.6 million to € 0.0 million as at 30 June 2014 as a result of the payment received from the sale of hospital subsidiaries to Fresenius/Helios.

Our key financial ratios developed as follows:

	30 June 2014	31 Dec. 2013
Net financial liabilities in €m at reporting date (incl. finance lease liabilities)	0.0	730.6
EBITDA (€ m)	1,478.4 *	275.4 **
Net interest expenditure in €m (excluding mark-up/discount of financial instruments)	91.3 *	38.1 **
Net financial debt/EBITDA	0.00	2.65
EBITDA/net interest expenditure	16.19	7.23

* Period from 1 July 2013 - 30 June 2014
** Period from 1 January 2013 - 31 December 2013

Compared with the same period last year, operating cash flow, calculated from net consolidated profit plus depreciation/ amortisation and net of/plus other non-operating items (balance of profits and losses from disposals of assets, expenditure from the market valuation of derivatives), rose by € 1,139.7 million to € 1,261.0 million (previous year: € 121.3 million) as a result of the sale of hospital subsidiaries to Fresenius/Helios.

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

January through June	2014 € m	2013 € m
Cash generated from operating activities	3.9	61.3
Cash generated/utilised in investing activities	2,856.8	-47.9
Cash used in financing activities	-693.1	-164.4
Change in cash and cash equivalents	**2,167.6**	**-151.0**
Cash and cash equivalents at 1 January	116.8	219.9
Cash and cash equivalents as at 30 June	**2,284.4**	**68.9**
of which held-for-sale cash and cash equivalents as at 30 June	2.2	-
of which cash and cash equivalents not held for sale on 30 June	**2,282.2**	**68.9**

Cash generated from operations was still strongly influenced in the first half of 2014 by the costs incurred by the transaction and the restructuring of the Group to the tune of a double-digit million figure.

Investments

Aggregate investments of € 32.1 million (previous year: € 59.4 million) in the first half of 2014 are shown in the following table:

	Use of		
	Gov't grants € m	Own funds € m	Total € m
Current capital expenditure	9.0	22.8	31.8
Takeovers	0.0	0.3	0.3
Total	**9.0**	**23.1**	**32.1**

Of these investments made in the first half, € 9.0 million was attributable to investments funded from grants under the Hospital Financing Act (KHG) (previous year: € 12.4 million) and deducted from total investments pursuant to the relevant provisions of IFRS.

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

	€ m
Bad Berka	5.6
Gießen, Marburg	5.7
Bad Neustadt	4.7
Frankfurt (Oder)	0.6
Other sites	6.2
Total	**22.8**

As at the balance sheet date, we do not have any investment obligations under company acquisition agreements entered into.

Employees

Employees	30 June 2014	31 Dec. 2013	Change absolute	%
Hospitals	14,882	37,996	-23,114	-60.8
MVZs	63	999	-936	-93.7
Service companies	1,380	4,368	-2,988	-68.4
Total	**16,325**	**43,363**	**-27,038**	**-62.4**

On 30 June 2014, the Group employed 16,325 persons (31 December 2013: 43,363). The

decline results from the sale of hospital subsidiaries to Fresenius/Helios in the first half of 2014.

PERFORMANCE OF THE SECOND QUARTER

April through June	2014	2013	Change	
	€ m	€ m	€ m	%
Revenues	329.6	754.7	-425.1	-56.3
EBITDA	-133.5	76.6	-210.1	N.A.
EBIT	-167.0	41.5	-208.5	N.A.
EBT	-183.8	32.5	-216.3	N.A.
Operating cash flow	-150.2	61.8	-212.0	N.A.
Consolidated result	-183.7	26.5	-210.2	N.A.

Whereas most of the sold subsidiaries were included in the Interim Consolidated Financial Statements of the current financial year based on two months of business activity, HSK-Gruppe was included in the Interim Consolidated Financial Statements based on five months of business activity. In the second quarter of 2014 we therefore reported declines in our key ratios compared with the second quarter of 2013 as a result of the sale of transaction-relevant interests which was essentially completed in the first quarter of 2014.

For the RHÖN-KLINIKUM Group, the second quarter of 2014 thus also had a decisive impact and lends itself to only limited comparison with the second quarter of the previous year. Moreover, the second quarter is also burdened by further extraordinary effects. For example, the other expenses item was impacted by one-off expenditures made in connection with the particle therapy facility in Marburg, and the financial result was burdened by one-off costs to the tune of € 16.4 million in connection with the redemption of the bond.

An expenditure-increasing effect in the amount of € 15.7 million also results from the full impairment on the building of PTZ GmbH in the second quarter of 2014. This impairment likewise relates to the realisation of the particle therapy facility at the university hospital in Marburg and to contractual terms and conditions for the purchase and operation of the facility.

RISKS AND OPPORTUNITIES

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

With regard to the trend in prices, the hospital sector is characterised by its regulated remuneration system. For several years, this is what has been giving rise to the widening gap between revenues and costs that has been affecting the operating side and is exerting higher external economic pressures on all market participants. Based on the statutory provisions, expansions in service volumes are remunerated at price discounts of up to 65% in some cases. On the other hand, we most recently had repeatedly recorded sharp price rises both in the area of personnel and material expenditures that significantly outstripped the trend in remuneration. In this regard the Act Removing Excessive Social Burdens in Contribution Liabilities in Health Insurance (Gesetz zur Beseitigung sozialer Überforderung bei Beitragsschulden in der Krankenversicherung, KVBeitrSchG) does not change anything from a structural standpoint.

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

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

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

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

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

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

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

Beyond that, there have been no significant changes in risks and rewards since the reporting date of 31 December 2013. As before, we do not see any risks posing a threat to the Company’s existence, neither for the individual subsidiaries nor for the Group.

REPORT ON EVENTS AFTER THE BALANCE SHEET DATE

For the hospital in Cuxhaven, the Federal Cartel Office conducted a new market study to determine the current situation and issued antitrust approval of the sale to Fresenius/ Helios. We obtained approval from the Cartel Office at the end of July. The interests were transferred on 31 July 2014.

During the second quarter of 2014, RHÖN-KLINIKUM AG redeemed the bond in a volume of € 400.0 million by way of public bond tender offer in the amount of 61.95% of the nominal amount outstanding of this bond. In July 2014, the bond with a nominal value of € 9.0 million was further redeemed, leaving currently approximately € 143 million as non-current liabilities.

On 15 July 2014, we informed that a voidance action had been lodged against the resolutions of the Annual Financial Statements of 12 June 2014 on the appropriation of the net distributable profit, the planned 2014 Share Buy-Back, as well as against the election of Professor Dr. h.c. Ludwig Georg Braun as member of the Supervisory Board. We deem the resolutions targeted by the action of voidance to be lawful and will defend ourselves against the action and conduct a clearance procedure pursuant to section 246a of the AktG.

The resolution on the share buy-back provides for a payment to the shareholders out of the proceeds from the transaction with Fresenius/Helios of up to roughly € 1.7 billion in a 2014 Share Buy-Back. The shares bought back are to be redeemed and the registered share capital reduced accordingly, thus taking account of the Company's smaller size. The offer price for the share buy-back will be defined by the resolution on the offer document for the public purchaser offer. The offer price per share, giving due regard to the then existing market environment, is to be within a corridor of between € 23.54 and € 25.19 – based on the share price for the three trading days immediately preceding the publication of the project (29 April 2014) and a premium of up to 7%.

If no shares are tendered under a purchase offer of the Company by expiry of 31 December 2014, the resolution on the 2014 Share Buy-Back will lapse and the corresponding funds distributed as an additional dividend.

FORECAST

We continue to focus on expanding competencies oriented on cutting-edge medical care while remaining one of the largest hospital operators in Germany. The revamping of our Company from a heterogeneous group of highly different facilities into a group of highly efficient hospitals focused on cutting-edge medicine is gathering pace. Our high level of investments, which were financed from the surpluses generated by our hospitals, is what forms the basis of sustainable, efficient and thus also affordable hospital care. Our aim is to treat our patients with the most state-of-the-art medical equipment and based on the latest therapies and research findings. In this regard we deliberately focus on the real needs of patients and create the basis for the patient-oriented, open medical care of tomorrow.

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

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

It is still not possible to provide an outlook for our result in financial year 2014 given the influence of the structural re-orientation as well as additional short-term extraordinary effects resulting from the transaction.

Moreover, efforts to explore the strategic prospects of the hospitals in Boizenburg and Waltershausen-Friedrichroda as well as the sale, now approved by the antitrust authorities, of the hospital in Cuxhaven to Fresenius/Helios, will make themselves felt in the subsequent months. As a consequence, RHÖN-KLINIKUM AG will not state any targets for revenues and earnings for the current financial year 2014.

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

Bad Neustadt a. d. Saale, 8 August 2014

RHÖN-KLINIKUM Aktiengesellschaft

THE BOARD OF MANAGEMENT

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

CONSOLIDATED ABRIDGED INTERIM FINANCIAL STATEMENT

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

January through June	2014		2013	
	€ '000	%	€ '000	%
Revenues	959,114	100.0	1,506,837	100.0
Other income	86,424	9.0	104,738	7.0
	1,045,538	**109.0**	**1,611,575**	**107.0**
Materials and consumables used	261,175	27.2	392,634	26.1
Employee benefits expense	606,427	63.2	918,046	60.9
Other expenses	143,438	15.0	149,436	9.9
	1,011,040	**105.4**	**1,460,116**	**96.9**
Result from deconsolidation of subsidiaries	**1,319,957**	**137.6**	**0**	**0.0**
Interim result (EBITDA)	**1,354,455**	**141.2**	**151,459**	**10.1**
Depreciation/amortisation and impairment	47,696	5.0	70,061	4.7
Operating result (EBIT)	**1,306,759**	**136.2**	**81,398**	**5.4**
Finance expenses	75,799	7.9	20,473	1.4
Finance income	3,269	0.4	1,267	0.1
Financial result	**72,530**	**7.5**	**19,206**	**1.3**
Earnings before tax (EBT)	**1,234,229**	**128.7**	**62,192**	**4.1**
Income taxes	20,336	2.1	11,435	0.7
Consolidated result	**1,213,893**	**126.6**	**50,757**	**3.4**
of which				
non-controlling interests	**2,050**	**0.2**	**1,907**	**0.2**
shareholders of RHÖN-KLINIKUM AG	**1,211,843**	**126.4**	**48,850**	**3.2**
Earnings per share in €				
undiluted	**8.77**		**0.35**	
diluted	**8.77**		**0.35**	

January through June	2014	2013
	€ '000	€ '000
Consolidated result	**1,213,893**	**50,757**
of which		
non-controlling interests	2,050	1,907
shareholders of RHÖN-KLINIKUM AG	1,211,843	48,850
Change in fair value of derivatives used for hedging purposes	24,786	10,324
Income taxes	-3,922	-1,634
Other result (cash flow hedges) subsequently reclassified to income statement if certain conditions have been met	**20,864**	**8,690**
Revaluation of defined-benefit and defined-contribution pension commitments and of similar obligations	0	0
Income taxes	0	0
Other result (revaluation of pension commitments) subsequently not reclassified to income statement	**0**	**0**
Other result *	**20,864**	**8,690**
of which		
non-controlling interests	0	0
shareholders of RHÖN-KLINIKUM AG	20,864	8,690
Total result	**1,234,757**	**59,447**
of which		
non-controlling interests	2,050	1,907
shareholders of RHÖN-KLINIKUM AG	1,232,707	57,540

* Sum of value changes recognised directly at equity

Consolidated Income Statement and Consolidated Statement of Comprehensive Income, April through June

April through June	2014		2013	
	€ '000	%	€ '000	%
Revenues	329,633	100.0	754,653	100.0
Other income	37,904	11.5	52,856	7.0
	367,537	**111.5**	**807,509**	**107.0**
Materials and consumables used	95,072	28.8	197,374	26.2
Employee benefits expense	220,024	66.7	458,351	60.7
Other expenses	80,080	24.4	75,184	9.9
	395,176	**119.9**	**730,909**	**96.8**
Result from deconsolidation of subsidiaries	**-105,889**	**-32.1**	**0**	**0.0**
Interim result				
(EBITDA)	**-133,528**	**-40.5**	**76,600**	**10.2**
Depreciation/amortisation and impairment	33,482	10.2	35,063	4.7
Operating result (EBIT)	**-167,010**	**-50.7**	**41,537**	**5.5**
Finance expenses	19,089	5.8	9,920	1.3
Finance income	2,265	0.7	856	0.1
Financial result	**16,824**	**5.1**	**9,064**	**1.2**
Earnings before tax (EBT)	**-183,834**	**-55.8**	**32,473**	**4.3**
Income taxes	-133	-0.1	5,967	0.8
Consolidated result	**-183,701**	**-55.7**	**26,506**	**3.5**
of which				
non-controlling interests	**732**	**0.2**	**1,308**	**0.2**
shareholders of RHÖN-KLINIKUM AG	**-184,433**	**-55.9**	**25,198**	**3.3**
Earnings per share in €				
undiluted	**-1.33**		**0.18**	
diluted	**-1.33**		**0.18**	

April through June	2014	2013
	€ '000	€ '000
Consolidated result	**-183,701**	**26,506**
of which		
non-controlling interests	732	1,308
shareholders of RHÖN-KLINIKUM AG	-184,433	25,198
Change in fair value of derivatives used for hedging purposes	-226	6,135
Income taxes	36	-971
Other result (cash flow hedges) subsequently reclassified to income statement if certain conditions have been met	**-190**	**5,164**
Revaluation of defined-benefit and defined-contribution pension commitments and of similar obligations	0	0
Income taxes	0	0
Other result (revaluation of pension commitments) subsequently not reclassified to income statement	**0**	**0**
Other result *	**-190**	**5,164**
of which		
non-controlling interests	0	0
shareholders of RHÖN-KLINIKUM AG	-190	5,164
Total result	**-183,891**	**31,670**
of which		
non-controlling interests	732	1,308
shareholders of RHÖN-KLINIKUM AG	-184,623	30,362

* Sum of value changes recognised directly at equity

Consolidated Balance Sheet at 30 June 2014

	30 June 2014		31 December 2013	
	€ '000	%	€ '000	%
ASSETS				
Non-current assets				
Goodwill and other intangible assets	162,237	4.7	163,113	5.2
Property, plant and equipment	671,389	19.4	711,908	23.0
Investment property	3,124	0.1	3,195	0.1
Income tax receivables	6,820	0.2	6,684	0.2
Deferred tax assets	0	0.0	1,643	0.1
Other financial assets	10	0.0	138	0.0
Other assets	306	0.0	237	0.0
	843,886	**24.4**	**886,918**	**28.6**
Current assets				
Inventories	19,804	0.6	21,145	0.7
Accounts receivable	169,293	4.9	160,479	5.2
Other financial assets	56,849	1.6	10,871	0.3
Other assets	16,560	0.5	8,659	0.3
Current income taxes receivable	4,122	0.1	5,050	0.2
Cash and cash equivalents	2,282,723	65.9	29,851	1.0
Held-for-sale assets	70,939	2.0	1,975,216	63.7
	2,620,290	**75.6**	**2,211,271**	**71.4**
	3,464,176	**100.0**	**3,098,189**	**100.0**

	30 June 2014		31 December 2013	
	€ '000	%	€ '000	%
SHAREHOLDERS' EQUITY AND LIABILITIES				
Shareholders' equity				
Subscribed capital	345,580	10.0	345,580	11.2
Capital reserve	395,994	11.4	395,994	12.8
Other reserves	2,101,614	60.7	903,459	29.1
Treasury shares	-76	0.0	-76	0.0
Equity attributable to shareholders of RHÖN-KLINIKUM AG	2,843,112	82.1	1,644,957	53.1
Non-controlling interests in equity	21,342	0.6	21,730	0.7
	2,864,454	**82.7**	**1,666,687**	**53.8**
Non-current liabilities				
Financial liabilities	161,751	4.7	720,388	23.3
Deferred tax liabilities	1,628	0.1	0	0.0
Provisions for post-employment benefits	643	0.0	555	0.0
Other financial liabilities	19,042	0.5	21,388	0.7
Other liabilities	71	0.0	287	0.0
	183,135	**5.3**	**742,618**	**24.0**
Current liabilities				
Financial liabilities	2,462	0.1	116,367	3.8
Accounts payable	72,800	2.0	73,420	2.4
Current income tax liabilities	2,429	0.1	606	0.0
Other provisions	180,751	5.2	16,170	0.5
Other financial liabilities	65,506	1.9	41,728	1.3
Other liabilities	85,710	2.5	78,207	2.5
Held-for-sale liabilities	6,929	0.2	362,386	11.7
	416,587	**12.0**	**688,884**	**22.2**
	3,464,176	**100.0**	**3,098,189**	**100.0**

Consolidated Changes in Equity

	Subscribed capital	Capital reserve	Retained earnings	Cash flow-hedges (OCI)	Treasury shares	Equity attributable to shareholders-of RHÖN-KLINIKUM AG	Non-controlling interests in equity [1]	Shareholders' equity
	€ '000	€ '000	€ '000	€ '000	€ '000	€ '000	€ '000	€ '000
Stand 31 Dec. 2012/1 Jan. 2013	**345,580**	**395,994**	**870,718**	**-30,907**	**-76**	**1,581,309**	**25,557**	**1,606,866**
Equity capital transactions with owners								
Capital contributions	-	-	-	-	-	0	61	61
Capital payments	-	-	-	-	-	0	-96	-96
Purchase of interest after obtaining control	-	-	1,509	-	-	1,509	-4,767	-3,258
Dividend payments	-	-	-34,552	-	-	-34,552	-	-34,552
Total result	-	-	48,850	8,690	-	57,540	1,907	59,447
Other changes								
Changes in scope of consolidation	-	-	-	-	-	0	-	0
Balance at 30 June 2013	**345,580**	**395,994**	**886,525**	**-22,217**	**-76**	**1,605,806**	**22,662**	**1,628,468**
Balance at 31 Dec. 2013/1 Jan. 2014	**345,580**	**395,994**	**924,323**	**-20,864**	**-76**	**1,644,957**	**21,730**	**1,666,687**
Equity capital transactions with owners								
Capital contributions	-	-	-	-	-	0	-	0
Capital payments	-	-	-	-	-	0	-	0
Dividend payments	-	-	-34,552	-	-	-34,552		-34,552
Total result	-	-	1,211,843	20,864	-	1,232,707	2,050	1,234,757
Other changes						0		
Changes in scope of consolidation	-	-	-	-	-	0	-2,438	-2,438
Balance at 30 June 2014	**345,580**	**395,994**	**2,101,614**	**0**	**-76**	**2,843,112**	**21,342**	**2,864,454**

[1] Including other comprehensive income (OCI)

Consolidated Cash Flow Statement

January through June	2014 € m	2013 € m
Earnings before taxes	1,234.2	62.2
Result from disposal of deconsolidated subsidiaries	-1,320.0	0.0
Earnings before taxes	-85.8	62.2
Financial result (net)	72.4	19.2
Impairment and gains/losses on disposal of assets	47.0	70.6
Non-cash valuations of financial derivatives	0.1	0.0
	33.7	**152.0**
Change in net current assets		
Change in inventories	2.4	2.7
Change in accounts receivable	-9.6	-27.3
Change in other financial assets and other assets	-30.1	-5.6
Change in accounts payable	-3.7	3.1
Change in other net liabilities/ Other non-cash transactions	51.7	-23.6
Change in provisions	-0.8	-0.3
Income taxes paid	-12.5	-10.9
Interest paid	-27.2	-28.8
Cash generated/used by operating activities	**3.9**	**61.3**
Investments in property, plant and equipment and in intangible assets	-51.9	-62.4
Government grants received to finance investments in property, plant and equipment and in intangible assets	9.0	12.5
Acquisition of subsidiaries, net of cash acquired	-0.3	-0.2
Disposal of subsidiaries, net of cash sold	2,891.2	-
Sale proceeds from disposal of assets	5.5	0.9
Interest received	3.3	1.3
Cash generated/utilised in investing activities	**2,856.8**	**-47.9**
Payments on contracting of non-current financial liabilities	0.0	98.7
Repayment of financial liabilities	-595.0	-228.6
Redemption payments for financial liabilities	-61.1	-
Dividend payments to shareholders of RHÖN-KLINIKUM AG	-34.6	-34.6
Payments to non-controlling interests in equity and contributions from non-controlling interests in equity	-2.4	0.1
Cash used in financing activities	**-693.1**	**-164.4**
Change in cash and cash equivalents	2,167.6	-151.0
Cash and cash equivalents at 1 January	116.8	219.9
Cash and cash equivalents as at 30 June	**2,284.4**	**68.9**
of which held-for-sale cash and cash equivalents as at 30 June	2.2	-
of which cash and cash equivalents not held for sale on 30 June	**2,282.2**	**68.9**

Abridged Notes

GENERAL INFORMATION

In the first quarter, RHÖN-KLINIKUM AG sold a portfolio of 39 facilities, medical care centres (MVZs) and other affiliated interests to HELIOS Kliniken GmbH and Fresenius SE & Co. KGaA. Taking account of the valuation under German antitrust law, the hospitals in Boizenburg, Cuxhaven and Waltershausen-Friedrichroda were left our of the filing to the Federal Cartel Office. The sites in Bad Neustadt, Bad Berka, Frankfurt (Oder) as well as Universitätsklinikum Gießen und Marburg are excluded from the transaction. With these five sites, RHÖN-KLINIKUM AG is forming a new, highly specialised hospital portfolio with an innovation-driven focus on treatment excellence.

With the approval also given by the City of Wiesbaden to the sale of Dr. Horst Schmidt Kliniken in the second quarter of 2014, the sale of all transaction-relevant facilities was concluded. For the hospitals in Boizenburg and Waltershausen-Friedrichroda, structured bidding procedures have now been initiated. For the hospital in Cuxhaven, the Federal Cartel Office conducted a new market study to determine the current situation and issued antitrust approval of the sale. The interests were transferred on 31 July 2014.

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 8 August 2014 on the homepage of RHÖN-KLINIKUM AG as well as with Deutsche Börse.

ACCOUNTING POLICIES

The Interim Consolidated Financial Statements of RHÖN-KLINIKUM AG as at 30 June 2014 have been prepared in accordance with the rules of IAS 34 in abridged form applying Section 315a of the German Commercial Code (Handelsgesetzbuch, HGB) and in accordance with the rules, effective at the reporting date and recognised by the European Union, of the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), London, as well as the interpretations of the International Financial Reporting Interpretations Committee (IFRIC). Furthermore, the provisions of the German accounting standard DRS 16 (interim financial reporting) were observed in the preparation of this Interim Report.

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

Amendments to IFRS 10, IFRS 11, IFRS 12, IAS 27 (revised 2011), IAS 28 (revised 2011), IAS 36 and IAS 39 are to be applied for annual periods beginning on or after 1 January 2014. These amendments have no material impact on the presentation of the net assets, financial position and results of operations.

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

Share-based compensation is recognised in accordance with IFRS 2. Since the second quarter of 2014, RHÖN-KLINIKUM AG recognises a share-based remuneration with cash settlement. The provision for the share-based remuneration was formed as expenditure in the amount of the fair value on the balance sheet date.

The income tax expense was deferred in the reporting period based on the tax rate expected for the entire financial year.

SCOPE OF CONSOLIDATION

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

	31 Dec. 2013	Additions	Disposals	30 June 2014
Fully consolidated subsidiaries	100	1	-69	32
At-equity consolidated	2	0	-1	1
Other subsidiaries	9	0	-3	6
Scope of consolidation	**111**	**1**	**-73**	**39**

Fully consolidated subsidiaries are all companies (including special-purpose entities) in which the Group exercises “control” within the meaning of IFRS 10 over finance and business policy; this is normally accompanied by a share of more than 50.0% of the voting rights. When assessing whether the Group exercises control, the existence and impact of potential voting rights that are currently exercisable or convertible are considered. The Group reviews whether control is exercised also when the parent company holds less than 50% of the shares but has the possibility of controlling the business and finance policy based on de facto control. De facto control exists for example in the case of voting right agreements or high minority rights.

Associated companies are those companies over which the Group has a substantial influence but over which it does not have control because the voting interest is between 20% and 50%. Investments in associated companies and jointly controlled entities (joint ventures) are accounted for using the equity method and upon their first-time consolidation are recognised at cost. Other entities are companies that do not have a material influence on the Group’s asset and earnings position, either individually or on aggregate, but are included in the consolidated financial statements at the lower of cost or fair value.

The addition results from the newly founded subsidiary MVZ Waltershausen-Friedrichroda GmbH in the first quarter of the current financial year. This new entity was founded in connection with the sale of the hospital subsidiaries to Fresenius/Helios. The disposals of hospital subsidiaries relate to 40 hospitals, MVZs and other affiliated interests transferred under the transaction to Fresenius/Helios. Moreover, three MVZ companies were transferred to the doctors practising there.

Of the remaining 39 subsidiaries, 5 entities are to be classified as “held-for-sale” pursuant to IFRS 5. This is attributable to the exclusion of the subsidiaries from the filling to the Cartel Office. As per agreement, these in principle are to be sold to a third party. In the case of Cuxhaven, we obtained approval from the Cartel Office at the end of July. The interests were transferred on 31 July 2014. We assume that the transfer of the remaining hospital subsidiaries will take place within the next few months.

Company acquisitions

In financial year 2014, two clinical doctor’s practices were purchased for which the conditions of validity as per agreement were satisfied on 1 January 2014 and 1 April 2014, respectively. No incidental costs were incurred from the acquisition of the doctor’s practices. The final purchase price allocation provides for the following effects on the Group’s net assets in the first half of 2014:

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

Deconsolidation of subsidiaries

On 13 September 2013, RHÖN-KLINIKUM AG, HELIOS Kliniken GmbH and Fresenius SE & Co. KGaA signed a share purchase agreement for the sale by RHÖN-KLINIKUM AG of a portfolio of 43 facilities, medical care centres and other affiliated interests to Fresenius/Helios and affiliated companies. The sites in Bad Neustadt, Bad Berka, Frankfurt (Oder) as well as Universitätsklinikum Gießen und Marburg are excluded from the transaction. Taking account of the updated valuation under German antitrust law within the scope of the overall transaction, the hospitals in Cuxhaven, Waltershausen-Friedrichroda and Boizenburg were removed from the application submitted to the German Cartel Office. These facilities were not transferred to Fresenius; consequently the remaining portfolio to be sold comprises 40 hospitals. That also holds true for some MVZ subsidiaries that are related to the hospitals concerned by region or concept. Approval by the competent antitrust authority was issued on 20 February 2014. All conditions of validity were fulfilled in the first half of 2014. Guarantee obligations under the sale were recognised accordingly. The effects of the deconsolidation of the entities transferred to Fresenius/Helios up to 30 June 2014 as well as to doctors practising at MVZ companies are set out below:

Effects from deconsolidation of subsidiaries	Carrying amount, disposals € m
Assets and liabilities sold	
Non-current assets	1,430
Current assets	444
Cash and cash equivalents	120
Non-current liabilities	-83
Current liabilities	-173
Net assets sold	**1,738**
Disposal of non-controlling interests in sale	-2
Prorated net assets of the Group	**1,736**
Sale proceeds from disposal of deconsolidated subsidiaries	3,056
Income from disposal of deconsolidated subsidiaries	**1,320**
- Sold cash and cash equivalents	-120
Inflow of cash and cash equivalents	**2,936**
- Purchase price payments outstanding	-45
Cash generated from disposal of deconsolidated subsidiaries	**2,891**

Held-for-sale assets and liabilities

The entities not yet sold (Boizenburg, Cuxhaven, Waltershausen-Friedrichroda sites) will continue to be reported as held-for-sale assets and liabilities. In connection with the application of IFRS 5, the assets and liabilities held for sale relating to the companies intended to be sold were reclassified in the balance sheet accordingly and reported under a separate balance sheet item on the assets and liabilities side in each case. Depreciation on these items was not necessary. Following the adoption of IFRS 5, deferred tax was transferred to loss carry-forwards through profit or loss already in 2013 provided the latter were forfeited in connection with the transaction. Pursuant to IFRS 5, non-current assets may not be amortised as long as they are classified as assets held for sale. The breakdown of the original balance sheet items is shown below:

Held-for-sale assets as at 30 June 2014	**€ m**
Non-current assets	
Goodwill and other intangible assets	9.5
Property, plant and equipment	43.6
Income tax receivables	0.3
	53.4
Current assets	
Inventories	1.4
Accounts receivable	9.4
Other financial assets	3.3
Other assets	0.8
Current income taxes receivable	0.4
Cash and cash equivalents	2.2
	17.5
Total of held-for-sale financial assets	**70.9**

Held-for-sale liabilities as at 30 June 2014	**€ m**
Non-current liabilities	
Deferred tax liabilities	0.5
	0.5
Current liabilities	
Accounts payable	2.5
Other provisions	0.4
Other financial liabilities	0.8
Other liabilities	2.7
	6.4
Total of held-for-sale liabilities	**6.9**

OPERATING SEGMENTS

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

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

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

SELECTED EXPLANATIONS REGARDING INTERIM CONSOLIDATED INCOME STATEMENT

Revenues

January through June	2014 € m	2013 € m
Fields		
Acute hospitals	918.5	1,454.0
Medical care centres	22.9	28.3
Rehabilitation hospitals	17.7	24.5
	959.1	**1,506.8**
Federal states		
Bavaria	164.1	270.0
Saxony	65.7	201.2
Thuringia	120.4	159.3
Baden-Wuerttemberg	21.8	66.0
Brandenburg	65.1	62.6
Hesse	385.2	419.6
Mecklenburg-West Pomerania	3.1	3.1
Lower Saxony	88.9	220.1
North Rhine-Westphalia	22.4	40.4
Saxony-Anhalt	22.4	64.5
	959.1	**1,506.8**

According to IAS 18, revenues constitute revenues generated from the provision of services and declined compared with the same period last year by € 547.7 million or 36.3% to € 959.1 million as a result of the sale of hospitals, MVZs and other affiliated interests to Fresenius/Helios for the most part at the end of February 2014 (inclusion in interim consolidated financial statements based on two months).

Other income

January through June	2014 € m	2013 € m
Income from services rendered	71.1	83.9
Income from grants and other allowances	7.3	9.3
Income from adjustment of receivables	1.0	2.1
Income from indemnification payments/Other	0.9	0.9
Other	6.1	8.6
	86.4	**104.8**

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

Compared with the same period last year, other income diminished by € 18.4 million or 17.6% to € 86.4 million. The decline is attributable to the sale of hospitals, MVZs and other affiliated interests to Fresenius/Helios for the most part at the end of February 2014.

Other expenditures

January through June	2014 € m	2013 € m
Maintenance	31.7	46.2
Charges, subscriptions and consulting fees	22.5	36.9
Administrative and IT costs	7.3	11.0
Impairment on receivables	5.4	6.8
Insurance	7.3	9.6
Rents and leaseholds	7.2	11.2
Travelling, entertaining and representation expenses	1.7	3.8
Other personnel and continuing training costs	4.1	7.0
Losses on disposal of non-current assets	0.1	0.7
Secondary taxes	0.5	1.3
Other	55.6	14.9
	143.4	**149.4**

Compared with the same period last year, other expenditures in the first six months of 2014 witnessed a decline of € 6.0 million or 4.0% to € 143.4 million. In the first half of 2014, the Company successfully pressed ahead further with intensive efforts to realise the particle therapy centre at the site of the university hospital in Marburg. In consultation with the Federal State of Hesse, Siemens AG as owner of the facility as well as with Heidelberg University Hospital, the key aspects regarding the acquisition and operation of the facility were defined. These key aspects are currently being specifically set out in contractual form. In the interests of long-term operating safety, the particle therapy centre in Marburg in future will be operated by a company jointly controlled by RHÖN-KLINIKUM AG and Universitätsklinikum Heidelberg – "Marburger Ionenstrahl-Therapiezentrum GmbH (MIT GmbH)". One-off expenses recognised under remaining other expenses are being incurred in this connection. A counter-effect was attributable to the sale of hospitals, MVZs and other affiliated interests to Fresenius/Helios for the most part at the end of February 2014.

Result from deconsolidation of subsidiaries

From the sale of the hospital subsidiaries transferred under the transaction with Fresenius/Helios by the end of the first half of the year and the sale of MVZ companies to the doctors practising there, an unrealised profit of € 1.3 billion was generated. Of this, the transaction with Fresenius/Helios accounted for € 1.3 billion. No impairment had to be made on the assets of the remaining subsidiaries not yet intended for sale.

Depreciation

Compared with the same period last year, the depreciation/amortisation item declined by € 22.4 million (or 32.0%) to € 47.7 million. The decline is attributable to the sale of hospital subsidiaries to

Fresenius/Helios as well as adjustments in connection with IFRS 5. Pursuant to IFRS 5, non-current assets may not be amortised as long as they are classified as assets held for sale. An expenditure-increasing effect in the amount of € 15.7 million results from the full impairment on the building of PTZ GmbH in the second quarter of 2014. This impairment relates to the realisation of the particle therapy facility at the university hospital in Marburg and to contractual terms and conditions for the purchase and operation of the facility.

Financial result

Compared with the same period last year, we recorded a rise in our negative financial result by € 53.4 million to € 72.6 million in the first six months of financial year 2014. The rise results from the early redemption of financial liabilities and the accompanying breakage (prepayment) costs and fees as well as the write-back of the financial derivatives. The financial result includes profit shares at companies accounted for using the equity method in the amount of € 68,000 (previous year: profit shares of € 74,000).

Income taxes

January through June	2014 € m	2013 € m
Current income tax	16.3	10.9
Deferred taxes	4.0	0.5
	20.3	**11.4**

At an unchanged rate of taxation, the income tax expense item rose as a result of the transaction and disposal by € 8.9 million to € 20.3 million (previous year: € 11.4 million) compared with same period of the previous year.

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

SELECTED EXPLANATIONS REGARDING CONSOLIDATED INTERIM BALANCE SHEET

Goodwill and other intangible assets

	Goodwill € m	Other intangible assets € m	Total € m
Cost			
1 January 2014	**413.8**	**62.2**	**476.0**
Additions due to changes in scope of consolidation	0.3	0.0	0.3
Additions	0.0	0.6	0.6
Disposals	248.8	31.6	280.4
Transfers	0.0	0.2	0.2
30 June 2014	**165.3**	**31.4**	**196.7**
Cumulative depreciation and impairment			
1 January 2014	**0.0**	**48.3**	**48.3**
Depreciation	0.0	1.2	1.2
Disposals	0.0	24.5	24.5
30 June 2014	**0.0**	**25.0**	**25.0**
Subtotal as at 30 June 2014	**165.3**	**6.4**	**171.7**
Held-for-sale financial assets	9.3	0.2	9.5
Balance sheet value at 30 June 2014	**156.0**	**6.2**	**162.2**

	Goodwill € m	Other intangible assets € m	Total € m
Cost			
1 January 2013	**414.0**	**60.9**	**474.9**
Additions due to changes in scope of consolidation	0.2	0.0	0.2
Additions	0.0	0.3	0.3
Disposals	0.4	0.8	1.2
Transfers	0.0	0.0	0.0
30 June 2013	**413.8**	**60.4**	**474.2**
Cumulative depreciation and impairment			
1 January 2013	**0.0**	**43.9**	**43.9**
Depreciation	0.0	3.6	3.6
Disposals	0.0	0.6	0.6
30 June 2013	**0.0**	**46.9**	**46.9**
Balance sheet value at 30 June 2013	**413.8**	**13.5**	**427.3**

Property, plant and equipment

	Land and buildings	Technical plant and equipment	Operating and business equipment	Plant under construction	Total
	€ m	€ m	€ m	€ m	€ m
Cost					
1 January 2014	**2,152.5**	**96.1**	**604.3**	**90.7**	**2,943.6**
Additions	4.0	0.1	10.4	7.7	22.2
Disposals	1,250.3	56.1	343.8	47.9	1,698.1
Transfers	29.5	0.5	4.9	-35.1	-0.2
30 June 2014	**935.7**	**40.6**	**275.8**	**15.4**	**1,267.5**
Cumulative depreciation and impairment					
1 January 2014	**558.5**	**55.0**	**413.4**	**0.0**	**1,026.9**
Depreciation	32.6	1.4	12.5	0.0	46.5
Disposals	260.7	34.1	226.1	0.0	520.9
30 June 2014	**330.4**	**22.3**	**199.8**	**0.0**	**552.5**
Balance sheet value at 30 June 2014	**605.3**	**18.3**	**76.0**	**15.4**	**715.0**
Held-for-sale assets	**37.7**	**0.4**	**5.5**	**0.0**	**43.6**
Balance sheet value at 30 June 2014	**567.6**	**17.9**	**70.5**	**15.4**	**671.4**

	Land and buildings	Technical plant and equipment	Operating and business equipment	Plant under construction	Total
	€ m	€ m	€ m	€ m	€ m
Cost					
1 January 2013	**2,084.2**	**92.5**	**616.2**	**68.6**	**2,861.5**
Additions	6.0	0.2	7.2	33.1	46.5
Disposals	1.5	0.2	20.7	0.0	22.4
Transfers	8.6	0.8	1.1	-10.5	0.0
30 June 2013	**2,097.3**	**93.3**	**603.8**	**91.2**	**2,885.6**
Cumulative depreciation and impairment					
1 January 2013	**509.1**	**50.4**	**382.3**	**0.0**	**941.8**
Depreciation	30.1	3.3	33.0	0.0	66.4
Disposals	1.5	0.2	20.1	0.0	21.8
30 June 2013	**537.7**	**53.5**	**395.2**	**0.0**	**986.4**
Balance sheet value at 30 June 2013	**1,559.6**	**39.8**	**208.6**	**91.2**	**1,899.2**

Interests in companies accounted for using the equity method at € 299,000 (31 December 2013: € 283,000) are reported under other financial assets (non-current) on the grounds of materiality.

Shareholders' equity

The increase in equity capital by € 1,197.8 million stems from net consolidated profit for the first six months of financial year 2014 (€ 1,213.9 million) as well as from the recognition of positive effects of financial derivatives designated as interest-rate hedging instruments resulting from the redemption of the respective underlying transaction (€ 20.9 million), which compare with distributions to shareholders (€ 34.6 million) as well as changes in the scope of consolidation (€ 2.4 million).

Financial liabilities and financial derivatives

In financial year 2012, RHÖN-KLINIKUM AG entered into a revolving syndicated line of credit in the amount of € 350 million with a term until 2017. In the first quarter of financial year 2014, this line of credit was completely terminated and repaid.

The institution rating of RHÖN-KLINKUM AG by the rating agency Moody's with the credit opinion Baa3 (negative outlook) of 3 December 2012 was withdrawn as at 2 May 2014 in the context of the very successful bond repurchase. The cost-benefit aspects in the wake of the transaction with Fresenius/Helios were decisive for this decision. On the basis of the changed financial profile, the stable business model as well as the excellent reputation on the banking and capital markets, RHÖN-KLINIKUM AG sees itself in a very good position to successfully implement any future financings on attractive terms, even without a public rating.

Up to 31 March 2014, promissory note loans amounting to € 165.0 million as well as a further loan in a total volume of € 127.1 million were redeemed early. Where interest hedging instruments had been entered into in connection with these liabilities, they were also terminated. As at the half-year key date, there was still a bullet loan in the amount of € 10.0 million maturing in 2017. On the half-year key date, interest-rate hedges no longer existed. In the first half of 2014 – up to the write-back of these interest-rate hedges – € 0.1 million were recognised with earnings decreasing effect.

In financial year 2010, RHÖN-KLINIKUM AG had successfully placed on the market a bond with a volume of € 400.0 million and a maturity of six years (ISIN XS0491047154). The coupon of the bond is 3.875%. On 27 March 2014, RHÖN-KLINIKUM AG submitted a public bond tender offer at a price of 106.1%. The tender period ran until 16 April 2014, and the redemption took place on 24 April 2014. 61.95% of the outstanding nominal amount of this bond was redeemed, with the result that € 152.2 million of non-current liabilities remain on the market from this bond as at the half-year key date. In July 2014, the bond with a nominal value of € 9.0 million was further redeemed.

Additional disclosures regarding financial instruments

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

	Measurement category according to IAS 39	30 June 2014	of which financial instruments		31 Dec. 2013	of which financial instruments	
			Carrying amount	Fair value		Carrying amount	Fair value
		€ m	€ m	€ m	€ m	€ m	€ m
ASSETS							
Non-current assets							
Other financial assets		**0.0**	0.0	0.0	**0.1**	0.1	0.1
of which investments	available-for-sale financial assets	**0.0**	0.0	0.0	**0.0**	0.0	0.0
of which derivative financial instruments (HFT)	financial assets measured at fair value through profit or loss	**0.0**	0.0	0.0	**0.1**	0.1	0.1
of which other	loans + receivables	**0.0**	0.0	0.0	**0.0**	0.0	0.0
Current assets							
Accounts receivable and other financial assets		**226.1**	226.1	226.1	**171.4**	171.4	171.4
of which accounts receivable and other financial assets	loans + receivables	**226.1**	226.1	226.1	**171.4**	171.4	171.4
of which securities (HfT)	financial assets measured at fair value through profit or loss	**0.0**	0.0	0.0	**0.0**	0.0	0.0
of which derivative financial instruments (HfT)	financial assets measured at fair value through profit or loss	**0.0**	0.0	0.0	**0.0**	0.0	0.0
Cash and cash equivalents	loans + receivables	**2,282.7**	2,282.7	2,282.7	**29.9**	29.9	29.9
SHAREHOLDERS' EQUITY AND LIABILITIES							
Non-current liabilities							
Financial liabilities		**161.8**	161.8	157.3	**720.4**	720.4	685.5
of which financial liabilities	financial liabilities measured at amortised cost	**161.8**	161.8	157.3	**695.4**	695.4	660.5
of which derivative financial instruments (hedge accounting)	n.a.	**0.0**	0.0	0.0	**25.0**	25.0	25.0
Other financial liabilities		**19.0**	19.0	22.0	**21.4**	21.4	23.2
of which other financial liabilities	financial liabilities measured at amortised cost	**17.5**	17.5	20.5	**21.4**	21.4	23.2
of which under finance leases	n.a.	**1.5**	1.5	1.5	**0.0**	0.0	0.0
Current liabilities							
Accounts payable	financial liabilities measured at amortised cost	**72.8**	72.8	72.8	**73.4**	73.4	73.4
Financial liabilities		**2.5**	2.5	2.5	**116.4**	116.4	116.4
of which financial liabilities	financial liabilities measured at amortised cost	**2.5**	2.5	2.5	**116.4**	116.4	116.4
of which derivative financial instruments (HfT)	liabilities measured at fair value through profit or loss	**0.0**	0.0	0.0	**0.0**	0.0	0.0
other financial liabilities		**65.5**	65.5	65.5	**41.7**	41.7	41.7
of which other financial liabilities	financial liabilities measured at amortised cost	**65.0**	65.0	65.0	**41.7**	41.7	41.7
of which under finance leases	n.a.	**0.5**	0.5	0.5	**0.0**	0.0	0.0
Aggregated according to measurement categories, the above figures are as follows:							
	loans + receivables		2,508.8	2,508.8		201.3	201.3
	available-for-sale financial assets		0.0	0.0		0.0	0.0
	financial assets measured at fair value through profit or loss		0.0	0.0		0.1	0.1
	financial liabilities measured at amortised cost		319.6	318.1		948.3	915.2

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

	Measurement category according to IAS 39	30 June 2014	of which financial instruments Carrying amount	Fair value	31 Dec. 2013	of which financial instruments Carrying amount	Fair value
		€ m	**€ m**	**€ m**	**€ m**	**€ m**	**€ m**
ASSETS							
Non-current assets							
Other financial assets		**0.0**	0.0	0.0	**0.5**	0.5	0.5
of which investments	available-for-sale financial assets	**0.0**	0.0	0.0	**0.2**	0.2	0.2
of which derivative financial instruments (HFT)	financial assets measured at fair value through profit or loss	**0.0**	0.0	0.0	**0.2**	0.2	0.2
of which other	loans + receivables	**0.0**	0.0	0.0	**0.1**	0.1	0.1
Current assets							
Accounts receivable and other financial assets		**12.7**	12.7	12.7	**326.6**	326.6	326.6
of which accounts receivable and other financial assets	loans + receivables	**12.7**	12.7	12.7	**326.6**	326.6	326.6
of which securities (HfT)	financial assets measured at fair value through profit or loss	**0.0**	0.0	0.0	**0.0**	0.0	0.0
of which derivative financial instruments (HfT)	financial assets measured at fair value through profit or loss	**0.0**	0.0	0.0	**0.0**	0.0	0.0
Cash and cash equivalents	loans + receivables	**2.2**	2.2	2.2	**127.0**	127.0	127.0
SHAREHOLDERS' EQUITY AND LIABILITIES							
Non-current liabilities							
Financial liabilities		**0.0**	0.0	0.0	**30.4**	30.4	25.3
of which financial liabilities	financial liabilities measured at amortised cost	**0.0**	0.0	0.0	**29.8**	29.8	24.7
of which derivative financial instruments (hedge accounting)	n.a.	**0.0**	0.0	0.0	**0.6**	0.6	0.6
Other financial liabilities		**0.0**	0.0	0.0	**39.4**	39.4	39.4
of which other financial liabilities	financial liabilities measured at amortised cost	**0.0**	0.0	0.0	**0.1**	0.1	0.1
of which under finance leases	n.a.	**0.0**	0.0	0.0	**39.3**	39.3	39.3
Current liabilities							
Accounts payable	financial liabilities measured at amortised cost	**2.5**	2.5	2.5	**82.8**	82.8	82.8
Financial liabilities		**0.0**	0.0	0.0	**4.8**	4.8	4.8
of which financial liabilities	financial liabilities measured at amortised cost	**0.0**	0.0	0.0	**4.8**	4.8	4.8
of which derivative financial instruments (HfT)	liabilities measured at fair value through profit or loss	**0.0**	0.0	0.0	**0.0**	0.0	0.0
other financial liabilities		**0.8**	0.8	0.8	**61.1**	61.1	61.1
of which other financial liabilities	financial liabilities measured at amortised cost	**0.8**	0.8	0.8	**59.2**	59.2	59.2
of which under finance leases	n.a.	**0.0**	0.0	0.0	**1.9**	1.9	1.9
Aggregated according to measurement categories, the above figures are as follows:							
	loans + receivables		14.9	14.9		453.7	453.7
	available-for-sale financial assets		0.0	0.0		0.2	0.2
	financial assets measured at fair value through profit or loss		0.0	0.0		0.2	0.2
	financial liabilities measured at amortised cost		3.3	3.3		176.7	171.6

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

	Level 1	Stufe 2	Stufe 3	Total	31 Dec. 2013
	€ m	€ m	€ m	€ m	€ m
non-current derivative assets	0.0	0.0	0.0	0.0	0.1
Securities	0.0	0.0	0.0	0.0	0.0
current derivative assets	0.0	0.0	0.0	0.0	0.0
non-current derivative liabilities	0.0	0.0	0.0	0.0	25.0
current derivative liabilities	0.0	0.0	0.0	0.0	0.0

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

	Level 1	Stufe 2	Stufe 3	Total	31 Dec. 2013
	€ m	€ m	€ m	€ m	€ m
Non-current derivative assets	0.0	0.0	0.0	0.0	0.2
Securities	0.0	0.0	0.0	0.0	0.0
Current derivative assets	0.0	0.0	0.0	0.0	0.0
Non-current derivative liabilities	0.0	0.0	0.0	0.0	0.6
Current derivative liabilities	0.0	0.0	0.0	0.0	0.0

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

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

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

Of the other financial assets classified as held-for-sale, € 0.0 million (31 December 2013: € 0.2 million) are attributable to equity interests whose market value cannot be calculated due to the absence of an active market. They are measured at cost.

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

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

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

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

OTHER DISCLOSURES

Interests held in the Company

The shareholders specified below have notified the Company that during the reporting period their voting interest exceeded or fell below the statutory reporting thresholds pursuant to section 21 et seq. of the WpHG and that they thus at least temporarily held a voting interest of over 3% in the Company either directly or by way of attribution of such voting interest to them. Notified events of interests crossing a given threshold that took place in the period of 1 January 2014 up to and including 30 June 2014 are listed.

		Voting interest on date that interest exceeds/falls below threshold					
Notifying entity	**Published on**	**Held directly %**	**Attri-buted %**	**Voting rights held %**	**Date that interest exceeds/falls below the threshold**	**Interest exceeding/ falling below threshold in the case of**	**Notification pursuant to section 21 (1) WpHG** Attribution pursuant to WpHG:
The Goldman Sachs Group, Inc., Wilmington/Delaware, USA	14 February 2014		3.02	**3.02**	24 January 2014	> 3%	Section 22 (1) sentence 1 no. 1 WpHG Name of controlled entity: Goldman Sachs Asset Management, L.P.
	28 April 2014						Withdrawal of notification published on 14 February 2014
Goldman Sachs Asset Management International, London, UK	28 April 2014	3.31		**3.31**	5 February 2014	> 3%	Section 21 (1) WpHG
Morgan Stanley, Wilmington/Delaware, USA	11 March 2014		5.27	**5.27**	3 March 2014	> 5%	4.76% pursuant to section 22 (1) sentence 1 no. 1 WpHG and 0.50% pursuant to section 22 (1) sentence 1 no. 6 in conj. with sentence 2 WpHG Names of controlled entities: Morgan Stanley Capital Management LLC, Morgan Stanley Domestic Holdings Inc., Morgan Stanley & Co. LLC
	27 March 2014		4.89	**4.89**	21 March 2014	< 5%	4.52% pursuant to section 22 (1) sentence 1 no. 1 WpHG and 0.37% pursuant to section 22 (1) sentence 1 no. 6 in conj. with sentence 2 WpHG Names of controlled entities: Morgan Stanley Capital Management LLC, Morgan Stanley Domestic Holdings Inc., Morgan Stanley & Co. LLC
	29 April 2014		2.95	**2.95**	23 April 2014	< 3%	Section 22 (1) sentence 1 no. 1 WpHG
	9 May 2014		2.93	**2.93**	6 May 2014	< 3%	2.66% pursuant to section 22 (1) sentence 1 no. 1 WpHG and 0.27% pursuant to section 22 (1) sentence 1 no. 6 in conj. with sentence 2 WpHG
UBS AG, Zurich, Switzerland	16 June 2014	3.21	0.35	**3.56**	6 June 2014	> 3%	0.35% pursuant to section 22 (1) sentence 1 no. 1 WpHG
	16 June 2014	2.19	0.34	**2.53**	9 June 2014	< 3%	0.34% pursuant to section 22 (1) sentence 1 no. 1 WpHG
	17 June 2014	2.83	0.34	**3.17**	10 June 2014	> 3%	0.34% pursuant to section 22 (1) sentence 1 no. 1 WpHG
	17 June 2014	2.59	0.36	**2.95**	12 June 2014	< 3%	0.36% pursuant to section 22 (1) sentence 1 no. 1 WpHG

The reported voting interests may have changed since 30 June 2014. With regard to notifications on threshold events pursuant to section 21 (1) of the WpHG that took place as of 1 July 2014, and for additional information on the attribution of the respective voting rights pursuant to section 22 of the WpHG, we refer to the publications on our homepage in the Investors/IR News section. The notified voting interests and/or interest in the registered share capital were determined by the notifying entities on the basis of the existing aggregate number of shares at the time of the notification of voting rights.

Based on the threshold events notified to us, the following picture pursuant to sections 21, 22 of the WpHG in terms of shareholder structure emerges as at the relevant key date of 30 June 2014:

Notifying entity	Published on	Held directly %	Attri-buted %	Voting rights held %	Date that interest exceeds/falls below the threshold	Interest exceeding/ falling below threshold in the case of	Attribution pursuant to WpHG (section 21 (1) WpHG)
				Voting interest pursuant to sections 21, 22 WpHG on date that interest exceeds/falls below threshold*			
B. Braun Melsungen Aktiengesellschaft, Melsungen, Germany	29 November 2013	15.08		**15.08**	27 November 2013	> 15%	Section 21 (1) WpHG - Attribution pursuant to section 22 (1) sentence 1 no. 1 WpHG to B. Braun Holding GmbH & Co. KG, Melsungen, Germany; BraHo Verwaltungsgesellschaft mbH, Melsungen, Germany; Ilona Braun, Germany; Martin Lüdicke, Germany, Ludwig G. Braun GmbH & Co. KG, Melsungen, Germany; Prof. Dr. h.c. Ludwig Georg Braun, Germany
Eugen Münch, Germany	15 February 2007	9.74		**9.74 ****	26 September 2005	< 10%	Section 21 (1) WpHG
Ingeborg Münch, Germany	15 February 2007	6.42		**6.42 ****	17 April 2002	> 5%	Section 21 (1) WpHG
Alecta pensionsförsäkring ömesesidigt, Stockholm/Sweden	17 July 2009	9.94		**9.94**	15 July 2009	< 10%	Section 21 (1) WpHG
Dr. gr. Broermann, Germany	27 June 2012		5.01	**5.01**	27 June 2012	> 5%	Section 22 (1) sentence 1 no. 1 WpHG Names of controlled entities: Asklepios Kliniken GmbH, Asklepios Kliniken Verwaltungsgesellschaft mbH
Goldman Sachs Asset Management International, London, UK	28 April 2014	3.31		**3.31**	5 February 2014	> 3%	Section 21 (1) WpHG
Morgan Stanley, Wilmington/Delaware, USA	9 May 2014		2.93	**2.93**	6 May 2014	< 3%	2.66% pursuant to section 22 (1) sentence 1 no. 1 WpHG and 0.27% pursuant to section 22 (1) sentence 1 no. 6 in conj. with sentence 2 WpHG

* 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.

** The aforementioned share refers to voting rights notifications before the capital increase in 2009. Pursuant to the Corporate Government Code, the Münch family notified us on 31 December 2013 that currently the voting interest of Eugen Münch was 7.420% and that of Ingeborg Münch 5.033%. On 2 June 2014, Mr. Eugen Münch transferred 1,380,000 ordinary shares without consideration to the not-for-profit trust 'Stiftung Münch' approved on 4 June 2014.

In addition, the shareholders specified below have notified the Company that during the reporting period their voting interest exceeded or fell below the statutory notification thresholds pursuant to sections 25, 25a of the WpHG. Notified threshold events that took place in the period of 1 January up to and including 30 June 2014 are listed. The reported voting interests may have changed since 30 June 2014. With regard to notifications on threshold events that took place as of 1 July 2014, and for additional information on the underlying financial instruments, on attribution and on the holding structures of the respective voting rights, we refer to the publications on our homepage in the Investors/IR News section.

Notifying entity	Published on	Voting rights held %	Date that interest exceeds/falls below the threshold	Interest exceeding/ falling below threshold in the case of	Structure of voting interests
					Voting interest pursuant to section 25 WpHG on date that interest exceeds/falls below threshold
Morgan Stanley, Wilmington/Delaware, USA	27 February 2014	**5.00**	19 February 2014	> 5 %	4.96% pursuant to sections 21, 22 WpHG, 0.04% instruments pursuant to section 25 WpHG (o.w. 0.04% held indirectly; retransfer claims that may be exercised at the lender's discretion)
	27 February 2014	**4.92**	20 February 2014	< 5 %	4.88% pursuant to sections 21, 22 WpHG, 0.04% instruments pursuant to section 25 WpHG (o.w. 0.04% held indirectly; retransfer claims that may be exercised at the lender's discretion)
	3 March 2014	**5.01**	26 February 2014	> 5 %	4.98% pursuant to sections 21, 22 WpHG, 0.04% instruments pursuant to section 25 WpHG (o.w. 0.04% held indirectly; retransfer claims that may be exercised at the lender's discretion)
	7 March 2014	**4.92**	28 February 2014	< 5 %	4.88% pursuant to sections 21, 22 WpHG, 0.04% instruments pursuant to section 25 WpHG (o.w. 0.04% held indirectly; retransfer claims that may be exercised at the lender's discretion)
	11 March 2014	**5.30**	3 March 2014	> 5 %	5.27% pursuant to sections 21, 22 WpHG, 0.04% instruments pursuant to section 25 WpHG (o.w. 0.04% held indirectly; retransfer claims that may be exercised at the lender's discretion)
	27 March 2014	**4.93**	21 March 2014	< 5 %	4.89% pursuant to sections 21, 22 WpHG, 0.04% instruments pursuant to section 25 WpHG (o.w. 0.04% held indirectly; retransfer claims that may be exercised at the lender's discretion)
	1 April 2014	**5.00**	26 March 2014	> 5 %	4.96% pursuant to sections 21, 22 WpHG, 0.04% instruments pursuant to section 25 WpHG (o.w. 0.04% held indirectly; retransfer claims that may be exercised at the lender's discretion)
	1 April 2014	**4.99**	27 March 2014	< 5 %	4.99% pursuant to sections 21, 22 WpHG, 0.04% instruments pursuant to section 25 WpHG (o.w. 0.04% held indirectly; retransfer claims that may be exercised at the lender's discretion)
Credit Suisse Group AG, Zurich, Switzerland	12 June 2014	**5.31**	6 June 2014	> 5 %	2.29% pursuant to sections 21, 22 WpHG, 3.03% instruments pursuant to section 25 WpHG (o.w. 3.03% held indirectly; recovery claim under securities loan, maturity at any time)
	25 June 2014	**4.16**	18 June 2014	< 5 %	0.28% pursuant to sections 21, 22 WpHG, 3.88% instruments pursuant to section 25 WpHG (o.w. 3.88% held indirectly) Recovery claim under securities loan, maturity at any time
Fresenius SE & Co. KGaA, Bad Homburg v. d. Höhe, Germany	16 June 2014	**5.00**	11 June 2014	> 5 %	5.0000007% pursuant to sections 21, 22 WpHG, 5.0000007% instruments pursuant to section 25 WpHG (o.w. 5.0000007% held indirectly)
	18 June 2014	**0.00**	13 June 2014	< 5 %	5.0000007% pursuant to sections 21, 22 WpHG, 0.00% instruments pursuant to section 25 WpHG (o.w. 0.00% held indirectly)

Notifying entity	Published on	Voting rights held %	Date that interest exceeds/falls below the threshold	Interest exceeding/ falling below threshold in the case of	Structure of voting interests
					Voting interest pursuant to section 25a WpHG on date that interest exceeds/falls below threshold
Morgan Stanley, Wilmington/Delaware, USA	19 February 2014	**5.21**	11 February 2014	> 5 %	4.77% pursuant to sections 21, 22 WpHG, 0.06% instruments pursuant to section 25 WpHG (o.w. 0.06% held indirectly), 0.38% instruments pursuant to section 25a WpHG (o.w. 0.38% held indirectly; cash settled swaps with expiry on 21 September 2014, 23 September 2014 and 14 October 2014)
	7 March 2014	**0.00**	28 February 2014	< 5 %	4.88% pursuant to sections 21, 22 WpHG, 0.04% instruments pursuant to section 25 WpHG (o.w. 0.04% held indirectly), 0.00% instruments pursuant to section 25a WpHG
	17 June 2014	**5.27**	10 June 2014	> 5 %	0.56% pursuant to sections 21, 22 WpHG, 2.11% Instruments pursuant to section 25 WpHG (o.w. 2.11% held indirectly), 2.60% instruments pursuant to section 25 a WpHG (of which 2.60% held indirectly); cash settled swaps expiring on 22 January 2015, 21 September 2015, 23 September 2015, 14 October 2015, 27 November 2015, 8 April 2016, 9 May 2016, 20 May 2016, 9 June 2016, 10 June 2016
	20 June 2014	**4.26**	17 June 2014	< 5 %	1.61% pursuant to sections 21, 22 WpHG, 1.55% instruments pursuant to section 25 WpHG (o.w. 1.55% held indirectly), 1.11% instruments pursuant to section 25a WpHG (of which 1.11% held indirectly); cash settled swaps expiring on 27 May 2015, 21 September 2015, 23 September 2015, 14 October 2015
UBS AG, Zurich, Switzerland	12 June 2014	**6.34**	5 June 2014	> 5 %	2.92% pursuant to sections 21, 22 WpHG, 0.85% instruments pursuant to section 25 WpHG (o.w. 0% held indirectly), 2.56% instruments pursuant to section 25a WpHG (o.w. 0% held indirectly; equity swaps with expiry on 18 June 2014 and 19 June 2014)
	25 June 2014	**0.00**	19 June 2014	< 5 %	2.96% pursuant to sections 21, 22 WpHG, 0.72% instruments pursuant to section 25 WpHG (o.w. 0.00% held indirectly), 0.00% instruments pursuant to section 25a WpHG (o.w. 0.00% held indirectly)
Credit Suisse Group AG, Zurich, Switzerland	12 June 2014	**6.00**	5 June 2014	> 5 %	1.59% pursuant to sections 21, 22 WpHG, 3.02% instruments pursuant to section 25 WpHG (o.w. 3.02% held indirectly), 1.39% instruments pursuant to section 25a WpHG (o.w. 1.39% held indirectly); equity swap, cash settlement expiring on 20 June 2014, 23 June 2014, 4 November 2014, 12 January 2015, 27 January 2015, 18 June 2015, 3 July 2015, 15 December 2015
Credit Suisse Investments, London, UK	12 June 2014	**6.02**	6 June 2014	> 5 %	2.09% pursuant to sections 21, 22 WpHG, 2.09% instruments pursuant to section 25 WpHG (o.w. 2.09% held indirectly), 1.84% instruments pursuant to section 25a WpHG (o.w. 1.84% held indirectly); equity swap, cash settlement expiring on 4 November 2014, 29 December 2014, 12 January 2015, 27 January 2015, 18 June 2015, 3 July 2015, 15 December 2015
	25/26 June 2014	**3.05**	18 June 2014	< 5 %	0% pursuant to sections 21, 22 WpHG, 2.83% instruments pursuant to section 25 WpHG (o.w. 2.83% held indirectly), 0.22% instruments pursuant to section 25a WpHG (o.w. 0.22% held indirectly); equity swap, cash settlement expiring on 4 November 2014, 8 January 2015, 12 January 2015, 27 January 2015, 13 May 2015, 14 May 2015, 18 June 2015, 15 December 2015, 2 October 2017
Credit Suisse Group AG, Zurich, Switzerland	26 June 2014	**2.90**	19 June 2014	< 5 %	1.99% pursuant to sections 21, 22 WpHG, 0.68% instruments pursuant to section 25 WpHG (o.w. 0.68% held indirectly), 0.23% instruments pursuant to section 25a WpHG (o.w. 0.23% held indirectly); equity swap, cash settlement expiring on 4 November 2014, 8 January 2015, 12 January 2015, 27 January 2015, 13 May 2015, 14 May 2015, 18 June 2015, 3 July 2015, 15 December 2015, 2 October 2017

As at 30 June 2014, the Company holds 24,000 treasury shares. This corresponds to 0.017% of the voting rights.

Corporate Bodies and Advisory Board

Since the last reporting date, the composition of the Supervisory Board has changed. With effect from 28 February 2014, Ms. Annett Müller and Mr. Werner Prange left our Supervisory Board because of the transaction. Prof. Dr. Jan Schmitt resigned his Supervisory Board mandate with effect from 30 April 2014 and Mr. Detlef Klimpe with effect from 12 June 2014. They were succeeded to the Supervisory Board by Mr. Oliver Salomon with effect from 9 April 2014, Mr. Klaus Hanschur with effect from 17 April 2014, Dr. Franz-Josef Schmitz with effect from 1 May 2014 and Prof. Dr. h.c. Ludwig Georg Braun with effect from 12 June 2014. For further details regarding the composition of the Supervisory Board as well as its allocation of duties and responsibilities, please refer to the Annual Report as at 31 December 2013.

The composition of the Board of Management has remained unchanged since the last reporting date. Regarding the composition of the Board of Management as well as its allocation of duties and responsibilities, please refer to the Annual Report as at 31 December 2013.

Since the last reporting date, Mr. Meinhold and Prof. Polonius left the Advisory Board due to expiry of their terms of office. For the 2014/2015 term of office, Dr. Boris Augurzky is appointed as new member of the Advisory Board. For further details regarding the composition of the Advisory Board as well as its allocation of duties and responsibilities, please refer to the Annual Report as at the last reporting date.

Related parties

RHÖN-KLINIKUM Group companies, in given instances, enter into transactions with related parties, as further described in the Notes to the Consolidated Financial Statements as at 31 December 2013. The transactions conducted with related parties primarily result from service or lease relations arranged at arm’s length terms. In the view of the RHÖN-KLINIKUM Group, these transactions are not of material significance.

The companies belonging to the group of related parties and the business transacted with these companies have changed in terms of the nature of the performance relationship and the amount of the pro rata temporis business volume compared with the Consolidated Financial Statements as at 31 December 2013. The same applies for the financial receivables and/or liabilities that existed with related parties:

With effect from 12 June 2014, Prof. Dr. h.c. Ludwig Braun was elected to the Supervisory Board. From that date until 30 June 2014, parties related to him performed supply and service relationships to the RHÖN-KLINIKUM Group in a volume of roughly € 0.3 million. As at the key date of 30 June 2014, accounts payable in a total amount of roughly € 0.2 million existed.

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

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 and the Advisory Board as at the key date of 30 June 2014 has remained unchanged since the presentation in the 2013 Annual Report. Prior to the transaction with Fresenius/Helios, the variable remuneration component for 2014 was capped by the members of the Supervisory Board.

Within the Group there is a share-based remuneration for members of the Board of Management which is reported in accordance with IFRS 2. For the first time, RHÖN-KLINIKUM AG grants to the members of the Board of Management virtual shares which will be settled in cash in June 2019 and which are vested in accordance with the contractual agreements. For that reason, a provision will be formed in the amount of the expected expenditure and adjusted on each balance sheet date to its fair value and thus based on performance. The virtual shares will confer entitlement to receive dividends until June 2019 and are limited to a maximum payout amount. In all other respects with regard to the contractual remuneration of members of the Board of Management, we refer to the presentation in the 2013 Annual Report.

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

During the reporting period, RHÖN-KLINIKUM AG was notified of transactions pursuant to section 15a of the WpHG of persons discharging managerial responsibilities (directors’ dealings). These concern the Supervisory Board member Mr. Eugen Münch with a non-stock-market transfer on 2 June 2014 of 1,380,000 ordinary shares (price: € 0.00, total volume € 0.00). The transfer by Mr. Eugen Münch was made without consideration to the not-for-profit trust Stiftung Münch approved on 4 June 2014. The basic assets of the trust are 690,000 non-par shares, with a further 690,000 non-par shares contributed as a tied reserve fund.

Employees

At the reporting date of 30 June 2014 the Group employed a total of 16,325 persons (31 December 2013: 43,363 persons). The decline versus the reporting date of 31 December 2013 is attributable to the sale of hospital subsidiaries to Fresenius/Helios.

Other financial obligations

The investment obligations resulting from company purchase agreements declined as at the reporting date to € 0.0 million (31 December 2013: € 137.6 million) as a result of the transaction.

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 30 June 2014	No. of shares on 30 June 2013
Non-par shares	138,232,000	138,232,000
Treasury non-par shares	-24,000	-24,000
Shares in issue	**138,208,000**	**138,208,000**

Earnings per share are calculated as follows:

Non-par shares	30 June 2014	30 June 2013
Share in net consolidated profit (€ '000)	1,211,843	48,850
Weighted average number of shares outstanding, in thousands	138,208	138,208
Earnings per share in €	8.77	0.35

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. The result from the deconsolidation of subsidiaries in the amount of € 1.3 billion includes the entities transferred to Fresenius/Helios up to 30 June 2014 as well as to doctors practising at MVZ companies. The transaction with Fresenius/Helios accounts for an amount of € 1.3 billion. For the purposes of the cash flow statement, bank overdrafts in the amount of € 0.5 million (previous year: € 38.2 million) are deducted from cash and cash equivalents. The cash flow statement has included a figure of € 4.0 million for outstanding construction invoices (previous year: € 9.3 million) and a figure € 0.1 million for non-cash expenditures from financial derivatives (previous year: income of € 0.01 million).

Bad Neustadt a. d. Saale, 8 August 2014

RHÖN-KLINIKUM Aktiengesellschaft

THE BOARD OF MANAGEMENT

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

ASSURANCE OF LEGAL REPRESENTATIVES

We assure to the best of our knowledge that based on the accounting principles to be applied to interim financial reporting the present Consolidated Interim Financial Statements a true and fair view of the net assets, financial position and results of operations of the Group is given therein and that the Consolidated Interim Report of the Management presents the business performance including the business results and the situation of the Group in such a way as to give a true and fair view of the same as well as a description of the material risks and opportunities involved in the Group's probable development in the remaining financial year.

Bad Neustadt a. d. Saale, 8 August 2014

RHÖN-KLINIKUM Aktiengesellschaft

THE BOARD OF MANAGEMENT

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

CERTIFICATE BASED ON AUDITOR'S REVIEW

to RHÖN-KLINIKUM Aktiengesellschaft, Bad Neustadt a. d. Saale

We have subjected the Abridged Consolidated Interim Financial Statements – consisting of the balance sheet, income statement and comprehensive income statement, cash flow statement, statement of changes in shareholders' equity as well as selected explanatory disclosures in the notes – and the Consolidated Interim Report of the Management prepared by RHÖN-KLINIKUM Aktiengesellschaft, Bad Neustadt a. d. Saale for the period from 1 January to 30 June 2014, which form integral parts of the Half-Year Financial Report according to section 37w of the German Securities Trading Act (Wertpapierhandelsgesetz, WpHG), to a review. The adoption of the Abridged Consolidated Interim Financial Statements in accordance with the IFRS standards for interim financial reporting as adopted by the EU and of the Consolidated Interim Report of the Management according to the provisions of WpHG applicable for consolidated interim reports of the management is the responsibility of the Board of Management of the Company. Our task is to submit a certificate, based on our review, regarding the Abridged Consolidated Interim Financial Statements and the Consolidated Interim Report of the Management.

We conducted our review of the Abridged Consolidated Interim Financial Statements and the Consolidated Interim Report of the Management in accordance with generally accepted German principles for reviews of financial statements as adopted by the Institut der Wirtschaftsprüfer (IDW) and, in addition, taking account of the International Standard on Review Engagements "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" (ISRE 2410). According to this, the review is to be planned and carried out in such a way that on a critical assessment we can exclude with a certain degree of certainty the non-compliance in material issues of the Abridged Consolidated Interim Financial Statements with the IFRS standards for interim financial reporting as adopted by the EU, and the non-compliance in material aspects of the Consolidated Interim Report of the Management with the provisions of WpHG applicable for consolidated interim reports of the management. Such review is primarily limited to the questioning of the Company's employees and analytical assessments and therefore does not offer the degree of certainty attained by a statutory audit. Since by reason of our assignment we have not performed any statutory audit, we are not able to issue any auditor's opinion.

Based on our review, we have not become aware of any circumstances or facts that would give us reasonable cause to believe that the Abridged Consolidated Interim Financial Statements in material aspects were not prepared in compliance with the IFRS standards for interim financial reporting as adopted by the EU, or that the Consolidated Interim Report of the Management in material aspects was not prepared in compliance with the provisions of WpHG applicable for consolidated interim reports of the management.

Frankfurt am Main, 8 August 2014
PricewaterhouseCoopers
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

Anne Böcker	ppa. Stefan Sigmann
Wirtschaftsprüferin	Wirtschaftsprüfer
German Public Auditor	*German Public Auditor*

KEY RATIOS

KEY RATIOS JANUARY THROUGH JUNE 2014 / JANUARY THROUGH JUNE 2013

Data in € m	Jan. – June 2014	Jan. – June 2013	Change in %
Revenues	959.1	1,506.8	-36.3
Materials and consumables used	261.2	392.6	-33.5
Employee benefits expense	606.4	918.1	-34.0
Depreciation/amortisation and impairment	47.7	70.1	-32.0
Consolidated result according to IFRS	1,213.9	50.8	N.A.
Earnings share of RHÖN-KLINIKUM AG shareholders	1,211.8	48.9	N.A.
Earnings share of non-controlling interests	2.1	1.9	10.5
Return on revenue (%)	126.6	3.4	N.A.
EBT	1,234.2	62.2	N.A.
EBIT	1,306.8	81.4	N.A.
EBIT - ratio (%)	136.2	5.4	N.A.
EBITDA	1,354.5	151.5	N.A.
EBITDA ratio (%)	141.2	10.1	N.A.
Operating cash flow	1,261.0	121.3	N.A.
Property, plant and equipment as well as investment property	674.5 *	1,903.5	-64.6
Non-current income tax claims	6.8 *	9.7	-29.9
Equity according to IFRS	2,864.5	1,628.5	75.9
Return on equity, %	48.8	6.2	N.A.
Balance sheet total according to IFRS	3,464.2	3,059.0	13.2
Investments			
in property, plant and equipment, intangible assets as well as in investment property	23.1	47.0	-50.9
in other assets	0.0	0.1	-100.0
Earnings per ordinary share (€)	8.77	0.35	N.A.
Number of employees (headcount)	16,325	42,895	-62.0
Case numbers (patients treated)	862,586	1,346,258	-35.9
Beds and places	5,811	17,104	-66.0

* Excluding held-for-sale assets

KEY RATIOS APRIL THROUGH JUNE 2014 / APRIL THROUGH JUNE 2013

Data in € m	April - June 2014	April - June 2013	Change in %
Revenues	329.6	754.7	-56.3
Materials and consumables used	95.1	197.4	-51.8
Employee benefits expense	220.0	458.4	-52.0
Depreciation/amortisation and impairment	33.5	35.1	-4.6
Consolidated result according to IFRS	-183.7	26.5	N.A.
Earnings share of RHÖN-KLINIKUM AG shareholders	-184.4	25.2	N.A.
Earnings share of non-controlling interests	0.7	1.3	-46.2
Return on revenue (%)	-55.7	3.5	N.A.
EBT	-183.8	32.5	N.A.
EBIT	-167.0	41.5	N.A.
EBIT - ratio (%)	-50.7	5.5	N.A.
EBITDA	-133.5	76.6	N.A.
EBITDA ratio (%)	-40.5	10.2	N.A.
Operating cash flow	-150.2	61.8	N.A.
Property, plant and equipment as well as investment property	674.5 *	1,903.5	-64.6
Non-current income tax claims	6.8 *	9.7	-29.9
Equity according to IFRS	2,864.5	1,628.5	75.9
Return on equity, %	-13.4	6.5	N.A.
Balance sheet total according to IFRS	3,464.2	3,059.0	13.2
Investments			
in property, plant and equipment, intangible assets as well as in investment property	6.8	27.4	-75.2
in other assets	0.0	0.1	-100.0
Earnings per ordinary share (€)	-1.33	0.18	N.A.
Number of employees (headcount)	16,325	42,895	-62.0
Case numbers (patients treated)	295,449	675,581	-56.3
Beds and places	5,811	17,104	-66.0

* Excluding held-for-sale assets

KEY RATIOS APRIL THROUGH JUNE 2014 / JANUARY THROUGH MARCH 2014

Data in € m	April - June 2014	Jan. – March 2014	Change in %
Revenues	329.6	629.5	-47.7
Materials and consumables used	95.1	166.1	-42.8
Employee benefits expense	220.0	386.4	-43.1
Depreciation/amortisation and impairment	33.5	14.2	135.9
Consolidated result according to IFRS	-183.7	1,397.6	-113.1
Earnings share of RHÖN-KLINIKUM AG shareholders	-184.4	1,396.3	-113.2
Earnings share of non-controlling interests	0.7	1.3	-46.2
Return on revenue (%)	-55.7	222.0	-125.1
EBT	-183.8	1,418.1	-113.0
EBIT	-167.0	1,473.8	-111.3
EBIT - ratio (%)	-50.7	234.1	-121.7
EBITDA	-133.5	1,488.0	-109.0
EBITDA ratio (%)	-40.5	236.4	-117.1
Operating cash flow	-150.2	1,411.2	-110.6
Property, plant and equipment as well as investment property	674.5 *	707.3 *	-4.6
Non-current income tax claims	6.8 *	6.8 *	0.0
Equity according to IFRS	2,864.5	3,071.8	-6.7
Return on equity, %	-13.4	54.4	-124.6
Balance sheet total according to IFRS	3,464.2	3,929.1	-11.8
Investments			
in property, plant and equipment, intangible assets as well as in investment property	6.8	16.3	-58.3
in other assets	0.0	0.0	0.0
Earnings per ordinary share (€)	-1.33	10.10	-113.2
Number of employees (headcount)	16,325	19,929	-18.1
Case numbers (patients treated)	295,449	567,137	-47.9
Beds and places	5,811	6,831	-14.9

* Excluding held-for-sale assets

FINANCIAL CALENDAR

DATES FOR SHAREHOLDERS AND ANALYSTS

2014

8 August 2014	Publication of Half-Year Financial Report as at 30 June 2014
7 November 2014	Publication of Interim Report for the quarter ending 30 September 2014

2015

27 February 2015	Preliminary results for financial year 2014
17 April 2015	Results Press Conference: Publication of 2014 Annual Financial Report
7 May 2015	Publication of Interim Report for the quarter ending 31 March 2015
10 June 2015	Annual General Meeting (at the Jahrhunderthalle Frankfurt)
6 August 2015	Publication of Half-Year Financial Report as at 30 June 2015
6 November 2015	Publication of Interim Report for the quarter ending 30 September 2015

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This Interim Report is also available in German.