

INTERIM REPORT

Q1 2015

LETTER TO SHAREHOLDERS	1
THE RHÖN-KLINIKUM SHARE	3
GROUP INTERIM REPORT OF THE MANAGEMENT	4
CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENT.....	13
KEY FIGURES	34
FINANCIAL CALENDAR	35

LETTER TO SHAREHOLDERS

Dear Shareholders,

With a large number of measures and initiatives, we have also continued the process of strategic realignment in Q1. Together with the Medical Board we are developing the medical strategy of the company further and are synchronising it with the corporate objectives. As a result, medical innovations, new treatments and modern equipment and procedures reach our patients faster.

From 1 January 2015, three clinics at the RHÖN-KLINIKUM Campus Bad Neustadt – namely psychosomatics, neurology and cardio-surgery – are now also recognised as academic teaching hospitals. The first medical students will complete a section of their training at the campus in autumn 2015. This means that all the locations of our Group are now either active as a university hospital or as an academic teaching hospital in close combination with academia, research and training.

Furthermore, we have selectively expanded the Group's research and development budget in order to promote innovation, excellence in treatment and network medicine. In the coming months, projects with a total volume of around Euro 4 million will be implemented; the programme includes projects at all locations.

At the same time, our business policy is developing on schedule and with success. As a result of the hospital portfolio restructuring and because of the one-off effects – which mainly relate to the Fresenius/Helios transaction – the performance and business figures for the first quarter of 2015 are not directly comparable to those from previous years.

In Q1 2015, the facilities of RHÖN-KLINIKUM AG treated a total of 191,730 patients. The sales revenue totalled € 276.1 million. Earnings before interest, taxes and

depreciation/amortisation (EBITDA) totalled € 49.7 million. We are therefore continuing with confidence on our organic growth course.

Nevertheless, we have not remained unaffected by the challenging prevailing conditions of the hospital market and in this financial year are subject in particular to two regulatory interventions. Firstly there is considerable under-financing compared to the actual cost increases because of the effective price increase on the state basic case value for the State of Hesse of only around 1 %. Secondly, the implementation of a system surcharge for university medicine announced as part of the health policy has been postponed so that the significant funding gap between the actual costs at our university hospitals and the remuneration through the DRG system is set to become wider.

In 2011 the Schweinfurt Main Tax Office investigated the cleaning companies of RHÖN-KLINIKUM AG. As a result of the investigations, social insurance contributions were demanded, the amount of which was disputed. However, an agreement was reached in Q1 2015 with the Deutsche Rentenversicherung (German Pension Insurance Organisation). All possible back-dated demands have been settled with the concluded agreement.

For 2015 – the first full financial year under the restructured portfolio – we expect revenues in the range of € 1.08 billion to € 1.12 billion and earnings before interest, tax and depreciation/amortisation (EBITDA) of between € 145 million and € 155 million. One-off effects – as in 2013 and 2014 – will also have an impact on the results in the current financial year. These positive and negative special impacts are in the low tens of millions; they will affect the entire 2015 financial year and will partly offset each other. Regulatory interventions, developments and effects from

the remaining settlement of the transaction with Fresenius/Helios have to be taken into account here.

The Board of Management and Supervisory Board will propose to this year's AGM on 10 June that the net distributable profit be paid out to the shareholders in the form of a dividend of € 0.80 per share. Additionally, in the coming years we will also be striving for an extensive shareholder participation in the future success of the company by paying out dividends of considerably more than 60 % of the net consolidated profit – of course subject to the restricting condition that no value-increasing growth opportunities can be realised.

As part of the payout of the transaction proceeds, the shareholders already had the opportunity in autumn 2014 to sell their shares back to the company through a share buyback programme with subsequent capital reduction. With a final acceptance quota of around 98.4 %, around € 1.7 billion has already been returned to shareholders through this instrument together with last year's dividends. Based on current estimates, another share buyback is planned for the period after the AGM as part of a public purchase offer with a stock-market trading

right with a volume of approx. 10 % of the current share capital. The corresponding authorisation was granted by the 2014 AGM. A final decision by the Board of Management and the Supervisory Board regarding the implementation and precise date and economic parameters of the buyback programme has not been taken.

The planned construction of the RHÖN-KLINIKUM Campus Bad Neustadt is proceeding. The first construction phase is currently underway: renovation and construction of the psychosomatic clinic. Other phases will be started shortly; the main construction measures at the campus are scheduled for completion in 2018.

Organic growth, appropriate acquisitions given appropriate opportunities and the agreed expansion of network medicine will also accompany the success of the company going forward. RHÖN-KLINIKUM AG will also continue to play an important role in the German health industry in the future.

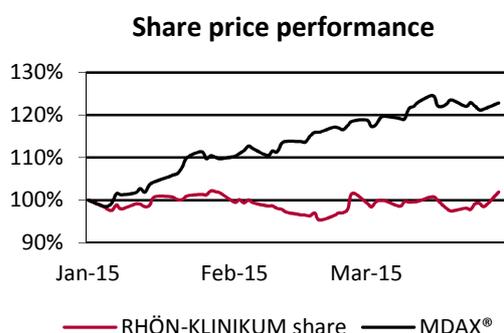
Yours sincerely,
RHÖN-KLINIKUM AG

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

THE RHÖN-KLINIKUM SHARE

The performance of international stock markets in the first quarter of 2015 was characterised above all by the continuing expansive monetary policy of central banks. On 22 January 2015 the General Council of the European Central Bank (ECB) agreed an extended securities purchasing programme with a volume of more than one trillion euros. On 09 March 2015, the EVB started purchasing assets with a volume of € 60 billion a month.

The German share index DAX®, which passed 10,000 for the first time in June 2014, in February passed the 11,000 mark and in March the 12,000 mark. Overall, it rose by 22 % over the first quarter. The MDAX® also improved over the quarter by 22 %. The German indices achieved an outperformance compared to the European indices (DJ EURO STOXX and DJ EURO STOXX 50), which grew by 18 %.



The RHÖN-KLINIKUM AG share price ended the first quarter almost unchanged at a closing price of € 23.13 (30 December 2014: € 23.20). Overall, RHÖN-KLINIKUM shares have moved

sideways in the 1st quarter since the successful implementation of the share buyback programme in 2014 enabling an efficient payout of € 1.63 billion from the proceeds of the transaction with Fresenius/Helios.

At the end of the first quarter, our market capitalisation after the share buyback programme, including all issued 73.48 million non-par shares, stood at € 1.7 billion (31 December 2014: € 1.7 billion). In the MDAX® we thus ranked 49th by market capitalisation (31 December 2014: 45th).

RHÖN-KLINIKUM share		
ISIN	DE0007042301	
Ticker symbol	RHK	
	from 20 Nov. 2014	until 19 Nov. 2014
Registered share capital (€)	183,704,650	345,580,000
Number of shares	73,481,860	138,232,000
	31 Mar. 2015	31 Dec. 2014
Market capitalisation (€ m)	1,699.64	1,704.78
Share prices (€)	1 Jan.-31 Mar. 2015	1 Jan.-31 Dec. 2014
Closing price	23.13	23.20
High	23.61	24.78
Low	22.02	21.62

Our next AGM is being held on Wednesday, 10 June 2015, in the Jahrhunderthalle Frankfurt (admission from 9 a.m.). We will publish our six-monthly report as at 30 June 2015 on 06 August 2015.

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 QUARTER OF THE 2015 FINANCIAL YEAR

- The consolidated result for the first quarter of 2015 is € 32.8 million, on a turnover of € 276.1 million and an EBITDA of € 49.7 million. The statutory additional services discount continues to have a cost, leading to a dilution of margin and results as a result of the additional costs connected to the expansion of services.
- The performance figures and the business figures for the first quarter of 2015 are not comparable to those of the previous year because of the restructuring of the hospital portfolio.
- 191,730 patients were treated in our hospitals and medical care centres (MVZ) in the first quarter of 2015.
- Because of the investigations carried out by the Main Tax Office Schweinfurt in 2011 of the cleaning companies, additional social insurance contributions were payable. However, an agreement was reached in Q1 2015 with the Deutsche Rentenversicherung concerning the social insurance contributions. All possible back-dated demands have been settled with the concluded agreement. The provisions formed for this are subject to the corresponding consumption and a reversal of € 19.7 million in Q1 2015.

BASIC PRINCIPLES OF THE RHÖN-KLINIKUM GROUP

The condensed interim consolidated financial statements of RHÖN-KLINIKUM AG for the year ended 31 March 2015 have been prepared in accordance with the provisions of IAS 34 in condensed 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 2015.

The accounting and valuation methods applied, to the extent already applied in

financial year 2014 and consistently applied in financial year 2015, are set out in detail in the Consolidated Financial Statement of RHÖN-KLINIKUM AG as at 31 December 2014. The accounting and valuation methods applicable in principle for the first time in financial year 2015 are explained in the Condensed Notes to this Interim Report. On a current view, these will have only the effects as stated in the Condensed Notes on the net assets, financial position and results of operations of RHÖN-KLINIKUM AG.

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

If data is 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 and Supervisory Board has remained unchanged since the 2014 Annual Report.

The notifications pursuant to section 21 et seq. of the German Securities Trading Act (Wertpapierhandelsgesetz, WpHG) that we received in the first three months of financial year 2015 are presented in the Notes to this Financial Report. We refer to our homepage for a detailed list of the notifications.

During the reporting period, RHÖN-KLINIKUM AG did not receive any notifications of transactions pursuant to section 15a of the WpHG by members of the Board of Management or of the Supervisory Board (directors' dealings). There are no other notifications regarding transactions by managers according to section 15a WpHG either.

On 16 April 2015, 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 2014.

ECONOMIC REPORT

MACROECONOMIC AND INDUSTRY ENVIRONMENT

The prospects for 2015 are more positive than even in 2014. The current business climate index for March 2015 is at its highest since mid-2014. German companies are considerably more optimistic about the future. The German economy is continuing to expand.

For the current year 2015, economists are predicting economic growth of around 2.1 %. The Federal Government is predicting growth of 1.8 %. The weak Euro and the lower oil price should have a favourable impact. By contrast, international crises or the weak recovery of the Euro zone represent risks. The German economy is again showing itself to be robust in the face of geopolitical uncertainties.

On the German labour market, the spring recovery and the good economic situation ensure continued growth in employment. The number of unemployed fell in March, also after being seasonally adjusted. The early indicators for the labour market assume that the upward trend in employment will continue. In March, the unemployment rate, as calculated by the Bundesagentur für Arbeit, was 6.8 %. The consumer price index as calculated by the Federal Statistical Office stands at 0.3 % in Germany for March compared with the same month of the previous year, thus maintaining its lower level.

In the financial year 2015 and in coming years we expect further increasing demand for hospital services because of the demographic change in the population. 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 – also in the years to come.

The remuneration for hospitals is experiencing a price increase that is based on the so-called "orientation value". 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. The higher value for 2015 is the aggregate income with a change of 2.53 %.

Additionally, in the financial year 2015, and for the following three years, the hospitals have had to accept the so-called "additional services discount" of 25 % for the additional services agreed with the health insurance providers. For surplus service volumes not agreed, the statutory provisions provide for discounts of an additional 65 %. 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 qualified, high-calibre 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 this and the increasing calls by employees to be given the opportunity of achieving a better balance between professional and family life, with specific measures targeted at improving our attractiveness as an employer in healthcare.

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

As a result, the trend of selection amongst service providers will continue and intensify. In our view, only those hospitals that are able to continually expand their service portfolio while at the same time improving the quality of clinical processes for patients can look forward to a sustainable and independent existence on the market. We review and optimise our processes and strategies on a continuous basis. Building on that, we will

make a Group-wide response to the challenges of healthcare policy. We therefore see ourselves in a very good position in terms of our growth prospects, also for the coming year.

BUSINESS PERFORMANCE OF THE FIRST THREE MONTHS

Overall statement on economic position

January through March	2015	2014	Change	
	€ m	€ m	€ m	%
Revenues	276.1	629.5	-353.4	-56.1
EBITDA	49.7	1,488.0	-1,438.3	N.A.
EBIT	34.6	1,473.8	-1,439.2	N.A.
EBT	34.2	1,418.1	-1,383.9	N.A.
Operating cash flow	47.8	1,411.2	-1,363.4	N.A.
Consolidated result	32.8	1,397.6	-1,364.8	N.A.

Because of the sale of hospitals, medical care centres and other affiliated investments to Fresenius/Helios, mainly in late February 2014 (recognised in the consolidated interim financial statements last year with two months' business operations) – accompanied by income realised in the previous year's period of € 1,425.9 million – compared to the first three months of the financial year 2014 we have experienced a decline in EBITDA of € 1,438.3 million to € 49.7 million, a decline in EBIT of € 1,439.2 million to € 34.6 million and a decline in net consolidated profit of € 1,364.8 million to € 32.8 million.

As a result of the fundamental changes in the corporate structure and in the hospital portfolio, as well as due to one-off effects mainly caused by the transaction, our business figures for the first quarter of 2015 are only comparable to the previous year's period to a reduced extent.

Moreover, we have to accept price discounts for additional services rendered – irrespective of whether they have been agreed or not. The statutory additional services discount continues to have a cost and leads to a dilution of margin and results as a result of the additional costs connected to the expansion of

services. Furthermore, the ever widening gap between revenues and costs seen within the hospital sector for several years continues to affect the operating results.

We are continuing to work intensively so that RHÖN-KLINIKUM AG makes constant progress as a high-performance, homogeneous group with a total of ten hospitals at five locations. All facilities are characterised by close interconnections between health care, research and teaching, as well as the high quality of the nursing and medical care provided. At the same time, we are continuing to prove our claim that we will also be a pioneer of innovative developments going forward and a dynamic influence on the health industry.

Trend in service volumes

	Hospitals	Beds
As at 31 December 2014	10	5,227
Change in capacities	-	8
As at 31 March 2015	10	5,235

As at 31 March 2015 our consolidated financial statement included 10 hospitals with 5,235 beds/places at a total of five sites in four federal states. Since 31 December 2014, there have only been slight planned bed changes, totalling 8 beds, in our acute inpatient capacities in accordance with the respective requirements plans in the individual federal states.

As at 31 March 2015, we operate seven MVZs (medical care centres) with a total of 29.75 specialist physician practices:

	MVZs	Specialist physician practices
As at 31 December 2014*	7	29.75
Opened/acquired		
Bad Neustadt a. d. Saale	-	-
Disposals		
Various sites	-	-
As at 31 March 2015	7	29.75

* Including MVZ Bad Neustadt

Patient numbers at our hospitals and MVZs developed as follows:

January through March	2015	2014	Change absolute	%
Inpatient and day-case treatments,				
acute hospitals	52,230	152,758	-100,528	-65.8
rehabilitation hospitals and other facilities	1,366	2,346	-980	-41.8
	53,596	155,104	-101,508	-65.4
Outpatient attendances at our				
acute hospitals	114,479	254,448	-139,969	-55.0
MVZs	23,655	157,585	-133,930	-85.0
	138,134	412,033	-273,899	-66.5
Total	191,730	567,137	-375,407	-66.2

In the first three months of the financial year 2015, a total of 191,730 patients (-375,407 patients or -66.2%) were treated in the Group's hospitals and MVZs. The decline stems from the sale of companies to Fresenius/Helios in the first quarter of 2014. 27.0% of the decline relates to inpatient and partial inpatient treatment and 73.0% to outpatient treatments.

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

January through March	2015	2014
Case revenue		
inpatient (€)	4,744	3,781
outpatient (€)	158	105

Results of operations

January through March	2015	2014	Change	
	€ m	€ m	€ m	%
Income				
Revenues	276.1	629.5	-353.4	-56.1
Other income	55.0	48.5	6.5	13.4
Total	331.1	678.0	-346.9	-51.2
Expenditure				
Materials and consumables used	79.9	166.1	-86.2	-51.9
Employee benefits expense	174.9	386.4	-211.5	-54.7
Other expenses	26.6	63.4	-36.8	-58.0
Total	281.4	615.9	-334.5	-54.3
Result from deconsolidation of subsidiaries	0.0	1,425.9	-1,425.9	N.A.
EBITDA	49.7	1,488.0	-1,438.3	N.A.
Depreciation/amortisation and impairment	15.1	14.2	0.9	6.3
EBIT	34.6	1,473.8	-1,439.2	N.A.
Finance result	0.4	55.7	-55.3	-99.3
EBT	34.2	1,418.1	-1,383.9	N.A.
Income taxes	1.4	20.5	-19.1	-93.2
Consolidated result	32.8	1,397.6	-1,364.8	N.A.

As a result of the restructuring of our hospital portfolio and one-off effects connected mainly to the sale in the previous year of hospitals, medical care centres and other affiliated investments, compared to the first three months of the financial year 2014 we have recorded

- a decline in EBITDA of € 1,438.3 million to € 49.7 million
- a decline in EBIT of € 1,439.2 million to € 34.6 million, and
- a decline in net consolidated profit of € 1,364.8 million to € 32.8 million.

Because of the investigations carried out by the Main Tax Office Schweinfurt in 2011 of the cleaning companies, additional social insurance contributions were payable. However, an agreement was reached in Q1 2015 with the Deutsche Rentenversicherung concerning the social insurance contributions. All possible back-dated demands have been settled with the concluded agreement. In this context, the provisions formed for this of € 19.7 million were reversed in the first quarter of 2015 through profit and loss under Other income.

January through March	2015 %	2014 %
Materials ratio	28.9	26.4
Personnel ratio	63.4	61.4
Other expense ratio	9.6	10.1
Depreciation and amortisation ratio	5.5	2.3
Finance result ratio	0.1	8.8
Effective tax ratio	0.5	3.3

Compared with the same period last year, materials and consumables used in the first three months of 2015 witnessed a decline of € 86.2 million or 51.9 % to € 79.9 million (previous year: € 166.1 million). The cause of this is mainly the sale of companies in the first quarter of 2014. The materials ratio rose from 26.4 % to 28.9 % as a result of use of articles entailing higher material costs at our facilities deploying cutting-edge medicine.

The employee benefits expense and other expenses declined compared with the first

three months of 2014 likewise as a result of the sale of hospital subsidiaries in the same period in the previous year. Whilst employee benefits expenses declined by € 211.5 million or 54.7 %, we record in other expenses a decline by € 36.8 million or 58.0 %. The personnel ratio rose from 61.4 % to 63.4 %, but other expense ratio declined from 10.1 % to 9.6 %.

The depreciation item increased compared with the same period of the previous year by € 0.9 million or 6.3 % to € 15.1 million. The reason for this is the adjustment of the useful life of assets at the Bad Neustadt a. d. Saale location in the second quarter of 2014, which increased costs.

The decline in our negative financial results in the first three months of the financial year 2015 compared to the same period in the previous year by € 55.3 million results from the repayment of financial debts and the associated early repayment penalties in the first quarter of the previous year.

As at 31 March 2015, net debt to banks – including finance lease liabilities – was € 0.0 million (31 December 2014: € 0.0 million).

Our net liquidity is calculated as follows:

	31 March 2015 € m	31 Dec. 2014 € m
Cash and cash equivalents (current)	343.7	695.4
Time deposits (current)	360.0	0.0
Time deposits (non-current)	30.0	0.0
Cash and cash equivalents, time deposits	733.7	695.4
Current financial liabilities	143.3	4.5
Non-current financial liabilities	10.0	152.9
Finance lease liabilities	1.7	1.9
Financial liabilities	155.0	159.3
Net liquidity	578.7	536.1

At an unchanged rate of taxation, the income tax expense item declined by € 19.1 million to € 1.4 million (previous year: € 20.5 million) due to the sale of companies.

Compared with the same period last year, net consolidated profit of the first three months fell by € 1,364.8 million to € 32.8 million (previous year: € 1,397.6 million).

Compared with the same period last year, non-controlling interests in profit declined because of the transaction by € 0.7 million to € 0.6 million (previous year: € 1.3 million).

The interest of RHÖN-KLINIKUM AG shareholders in profit for the first three months of 2015 fell by € 1,364.1 million compared with the same period last year to € 32.2 million. The interest in profit of the shareholders corresponds to earnings per share according to IAS 33 of € 0.44 (previous year: € 10.10).

The total result (sum of net consolidated profit and other earnings) in the first three months of financial year 2015 stood at € 32.8 million (previous year: € 1,418.6 million). While positive market value changes in our financial instruments of € 21.1 million (after taxes) were directly offset in the previous year against the equity, no market value changes were recognised directly in equity in the first three months of the current financial year, as these were reversed as a result of the repayment of the respective underlying in the financial year 2014.

Net assets and financial position

	31 March 2015		31 December 2014	
	€ m	%	€ m	%
ASSETS				
Non-current assets	870.2	47.9	846.5	46.9
Current assets	946.7	52.1	957.8	53.1
	1,816.9	100.0	1,804.3	100.0
EQUITY AND LIABILITIES				
Equity	1,281.7	70.5	1,248.9	69.2
Non-current liabilities	35.3	2.0	178.2	9.9
Current liabilities	499.9	27.5	377.2	20.9
	1,816.9	100.0	1,804.3	100.0

Compared with the balance sheet date of 31 December 2014, the balance sheet total rose by € 12.6 million or 0.7 % to € 1,816.9 million. Long-term fixed deposit investments of € 30 million were made in the first quarter of 2015. As at 31 March 2015 this led to a reduction in current assets and simultaneously to an increase in non-current assets. The cause for the increase in the balance sheet total is the higher allocation as at 31 March 2015 compared to 31 December

2014. On one hand, on the assets side this led to a slight increase in receivables due from purchasers from the provision of services, and on the other hand, the liabilities increased on the liabilities side, in particular from personnel obligations.

We financed our equity-financed investments of € 7.3 million entirely with the cash flow from our first three months of the financial year 2015 of € 47.8 million.

The equity ratio has increased slightly since the last reporting date from 69.2 % to 70.5 %.

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

Equity	2015			2014
	Share-holders	Non-controlling interests	Total	Total
	€ m	€ m	€ m	€ m
At 1 January	1,228.5	20.4	1,248.9	1,666.7
Equity capital transactions with owners	0.0	0.0	0.0	0.0
Total result of the period	32.2	0.6	32.8	1,418.6
Other changes	0.0	0.0	0.0	-13.5
At 31 March	1,260.7	21.0	1,281.7	3,071.8

As at 31 March 2015, equity stands at € 1,281.7 million (31 December 2014: € 1,248.9 million). The increase of € 32.8 million results entirely from the consolidated profit for the first three months of the financial year 2015.

Non-current assets are financed mathematically at 151.3 % (31 December 2014: 168.6 %) fully congruently in terms of maturity by equity and long-term debts. As at 31 March 2015, net debt to banks – including finance lease liabilities – was € 0.0 million (31 December 2014: € 0.0 million).

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 in the financial year 2014, expenditure from the market valuation of derivatives), declined by € 1,363.4 million to € 47.8 million (previous year: € 1,411.2 million) because of the sale of companies to Fresenius/Helios.

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

January through March	2015 € m	2014 € m
Cash generated from operating activities	5.6	0.2
Cash used in / generated from investing activities	-355.9	2,858.6
Cash used in financing activities	-1.3	-397.0
Change in cash and cash equivalents	-351.6	2,461.8
Cash and cash equivalents at 1 January	695.3	116.8
Cash and cash equivalents at 31 March	343.7	2,578.6
of which held-for-sale cash and cash equivalents at 31 March	-	8.0
of which cash and cash equivalents not held for sale at 31 March	343.7	2,570.6

Marked by the transaction with Fresenius/Helios, the change in cash and cash equivalents in the area of investments is essentially as a result of cash generated from the sale of companies totalling € 41.2 million and also from the investment of timed deposits of € 390 million.

Investments

Aggregate investments of € 8.3 million (previous year: € 21.6 million) in the first three months of financial year 2014 are shown in the following table:

	Use of		
	Gov't grants	Own funds	Total
	€ m	€ m	€ m
Current capital expendit	1.0	7.3	8.3
Takeovers	0.0	0.0	0.0
Total	1.0	7.3	8.3

Of these investments made in the first three months, € 1.0 million (previous year: € 5.3 million) was attributable to investments funded from grants under the Hospital Financing Act (KHG) 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 Neustadt	3.2
Giessen, Marburg	2.4
Bad Berka	0.9
Frankfurt (Oder)	0.8
Total	7.3

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

Employees

Employees	31 March 2015	31 Dec. 2014	Change	
			absolute	%
Hospitals	13,969	14,081	-112	-0.8
MVZs	125	107	18	16.8
Service companies	1,394	1,414	-20	-1.4
Total	15,488	15,602	-114	-0.7

On 31 March 2015, the Group employed 15,488 persons (31 December 2014: 15,602).

RISKS AND OPPORTUNITIES

Like every other company, RHÖN-KLINIKUM AG is exposed to various sources of uncertainty. As a health services provider, we deal with an extremely complicated risk landscape. Factors, such as the general regulatory and statutory conditions, increasing costs, competitive and consolidation pressure within the sector, or the increasing demands of patients, not only open up opportunities, but also contain risks.

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 ageing 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.

Two significant developments are currently having an impact on the sector. Firstly, the demand for medical, especially for cutting-edge medical services, continues to grow. On the other hand, the remuneration for services provided is not being adjusted accordingly.

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, quality and strategies. We are continuing our activities to optimise our sites by conducting reviews of their service portfolios and identifying performance potential.

We see the concept of network medicine "Wir für Gesundheit" ("We stand for Health") as an opportunity for our Group. 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 state-of-the-art medical

therapies and procedures as well as research and teaching, and serve as a stimulator and driver of network medical care with attractive earnings and growth prospects.

In 2014 we appointed our Medical Board, the members of which are recognised specialists at the top of their fields from all the locations of our company. Above all, its task is to redesign and realise the medical strategy of RHÖN-KLINIKUM AG further and to synchronise it with the corporate objectives.

By increasing the research budget, we want to expand our competitive position with innovative new treatments and cutting-edge medicine. In the financial year 2015 projects with a total volume of around € 4 million will be financed, with a focus on research and innovation, as well as on excellence in treatment and network medicine.

Overall, we see our Group as being in a very good position. In future we will also be among the largest hospital operators in Germany as a high-performance, homogeneous association with a consistent orientation towards cutting-edge and special medicine.

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, medical care centres 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 2014. 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.

FORECAST

In 2015 there will be intensive work so that RHÖN-KLINIKUM AG makes continuous progress as a high-performing, homogeneous group with a total of ten excellent hospitals at five locations; all the institutions are characterised by a close interconnection of health care, research and teaching, as well as high levels of medical care and nursing quality. At the same time, we will also prove our claim that we are also a pioneer of innovative developments going forward and a dynamic influence on the health industry.

The main focus of our attention continues to be on expanding our expertise in the area of cutting-edge medicine. We are and continue to be one of the largest hospital operators in Germany. Our high level of investments, which were financed from the surpluses generated by our hospitals, is what forms the basis of sustainable, efficient and thus also affordable hospital care. 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.

Bad Neustadt a. d. Saale, 7 May 2015

RHÖN-KLINIKUM Aktiengesellschaft

THE BOARD OF MANAGEMENT

Martin Menger

Jens-Peter Neumann

Dr. Dr. Martin Siebert

In financial year 2015, we envisage the RHÖN-KLINIKUM Group having roughly 5,300 beds in ten hospitals at five sites in four federal states. We will achieve our forecast with around 15,500 employees.

For the current financial year 2015 – the first full financial year under the restructured portfolio – the company expects revenues in the range of € 1.08 billion to € 1.12 billion and earnings before interest, tax and depreciation/amortisation (EBITDA) of between € 145 million and € 155 million. After 2013 and 2014, there are also one-off effects in the current year on the results, even if they are not as large as in the two previous years. These positive and negative special impacts are each in the low tens of millions; they will affect the entire 2015 financial year and will partly offset each other. Regulatory interventions, developments in dealing with larger legal charges and possible positive effects from the recognition of the remaining settlement or the transaction with Fresenius/Helios have to be taken into account here. Of course, our outlook here is subject to any regulatory interventions that affect the remuneration structure in the coming year.

CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENT

CONSOLIDATED INCOME STATEMENT AND CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME, JANUARY THROUGH MARCH14

CONSOLIDATED BALANCE SHEET AT 31 MARCH 201515

STATEMENT OF CHANGES IN EQUITY16

STATEMENT OF CASH FLOWS17

CONDENSED NOTES18

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

January through March	2015		2014	
	€ '000	%	€ '000	%
Revenues	276,090	100.0	629,481	100.0
Other income	55,036	19.9	48,520	7.7
	331,126	119.9	678,001	107.7
Materials and consumables used	79,918	28.9	166,103	26.4
Employee benefits expense	174,935	63.4	386,403	61.4
Other expenses	26,620	9.6	63,358	10.1
	281,473	101.9	615,864	97.8
Result from deconsolidation of subsidiaries	0	0.0	1,425,846	226.5
Interim result (EBITDA)	49,653	18.0	1,487,983	236.4
Depreciation/amortisation and impairment	15,021	5.5	14,214	2.3
Operating result (EBIT)	34,632	12.5	1,473,769	234.1
Finance expenses	1,581	0.5	56,710	9.0
Finance income	1,107	0.4	1,004	0.2
Finance result	474	0.1	55,706	8.8
Earnings before taxes (EBT)	34,158	12.4	1,418,063	225.3
Income taxes	1,376	0.5	20,469	3.3
Consolidated result	32,782	11.9	1,397,594	222.0
of which				
Non-controlling interests	618.0	0.3	1,318	0.2
Shareholders of RHÖN-KLINIKUM AG	32,164	11.6	1,396,276	221.8
Earnings per share in €				
undiluted	0.44		10.10	
diluted	0.44		10.10	

January through March	2015	2014
	€ '000	€ '000
Consolidated result	32,782	1,397,594
of which		
Non-controlling interests	618	1,318
Shareholders of RHÖN-KLINIKUM AG	32,164	1,396,276
Change in fair value of derivatives used for hedging purposes	0	25,012
Income taxes	0	-3,958
Other comprehensive income (cash flow hedges) subsequently reclassified to income statement if certain conditions are met	0	21,054
Revaluation of defined benefit pension plans	0	0
Income taxes	0	0
Other comprehensive income (revaluation of pension plans) not subsequently reclassified to income statement	0	0
Other comprehensive income *	0	21,054
of which		
Non-controlling interests	0	0
Shareholders of RHÖN-KLINIKUM AG	0	21,054
Total comprehensive income	32,782	1,418,648
of which		
Non-controlling interests	618	1,318
Shareholders of RHÖN-KLINIKUM AG	32,164	1,417,330

* Sum of value changes recognised in the equity.

Consolidated Balance Sheet at 31 March 2015

	31 March 2015		31 December 2014	
	€ '000	%	€ '000	%
ASSETS				
Non-current assets				
Goodwill and other intangible assets	163,350	9.0	163,736	9.1
Property, plant and equipment	655,870	36.1	663,205	36.8
Investment property	3,019	0.2	3,054	0.2
Income tax assets	4,623	0.2	4,576	0.2
Other financial assets	43,020	2.4	11,675	0.6
Other assets	306	0.0	267	0.0
	870,188	47.9	846,513	46.9
Current assets				
Inventories	20,261	1.1	21,830	1.2
Trade receivables	184,245	10.2	169,681	9.4
Other financial assets	380,298	20.9	56,385	3.1
Other assets	12,020	0.7	8,905	0.5
Current income tax assets	6,184	0.3	5,607	0.3
Cash and cash equivalents	343,719	18.9	695,390	38.6
	946,727	52.1	957,798	53.1
	1,816,915	100.0	1,804,311	100.0

	31 March 2015		31 December 2014	
	€ '000	%	€ '000	%
EQUITY AND LIABILITIES				
Equity				
Issued share capital	183,705	10.1	183,705	10.2
Capital reserve	557,869	30.7	557,869	30.9
Other reserves	519,209	28.6	487,045	27.0
Treasury shares	-76	0.0	-76	0.0
Equity attributable to shareholders of RHÖN-KLINIKUM AG	1,260,707	69.4	1,228,543	68.1
Non-controlling interests in equity	20,999	1.1	20,381	1.1
	1,281,706	70.5	1,248,924	69.2
Non-current liabilities				
Financial liabilities	10,000	0.6	152,881	8.5
Deferred tax liabilities	663	0.0	770	0.0
Provisions for post-employment benefits	916	0.1	814	0.0
Other financial liabilities	17,337	1.0	17,310	1.0
Other liabilities	6,395	0.3	6,406	0.4
	35,311	2.0	178,181	9.9
Current liabilities				
Financial liabilities	143,262	7.9	4,540	0.2
Trade payables	79,896	4.4	89,598	5.0
Current income tax liabilities	1,996	0.1	2,325	0.1
Other provisions	152,610	8.4	176,620	9.8
Other financial liabilities	31,728	1.7	24,926	1.4
Other liabilities	90,406	5.0	79,197	4.4
	499,898	27.5	377,206	20.9
	1,816,915	100.0	1,804,311	100.0

Statement of Changes in Equity

	Issued share 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	Equity
	€ '000	€ '000	€ '000	€ '000	€ '000	€ '000	€ '000	€ '000
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 transactions with owners								
Capital contributions	-	-	-	-	-	-	-	-
Capital payments	-	-	-	-	-	-	-	-
Dividend payments	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	1,396,276	21,054	-	1,417,330	1,318	1,418,648
Other changes								
Changes in scope of consolidation	-	-	-	-	-	-	-13,561	-13,561
At 31 March 2014	345,580	395,994	2,320,599	190	-76	3,062,287	9,487	3,071,774
At 31 Dec. 2014/1 Jan. 2015	183,705	557,869	487,045	-	-76	1,228,543	20,381	1,248,924
Equity transactions with owners								
Share repurchase and capital reduction	-	-	-	-	-	-	-	-
Dividend payments	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	32,164	-	-	32,164	618	32,782
Other changes								
Changes in scope of consolidation	-	-	-	-	-	-	-	-
At 31 March 2015	183,705	557,869	519,209	0	-76	1,260,707	20,999	1,281,706

Statement of Cash Flows

January through March	2015	2014
	€ m	€ m
Earnings before taxes	34.2	1,418.1
Result from deconsolidation of subsidiaries	-	-1,425.9
	34.2	-7.8
Finance result (net)	0.5	55.6
Depreciation / amortisation and impairment and gains / losses on disposal of assets	15.0	13.5
Non-cash developments of derivative financial instruments	-	0.1
	49.7	61.4
Change in net current assets		
Change in inventories	1.5	3.3
Change in trade receivables	-14.6	-9.6
Change in other financial assets and other assets	-9.6	-27.1
Change in trade payables	-8.8	-10.0
Change in other net liabilities / Other non-cash transactions	16.2	10.9
Change in provisions	-21.1	-0.8
Income taxes paid	-2.0	-3.2
Interest paid	-5.7	-24.7
Cash generated from operating activities	5.6	0.2
Investments in property, plant and equipment and in intangible assets	-9.2	-40.3
Government grants received to finance investments in property, plant and equipment and in intangible assets	1.0	5.3
Investments in time deposits	-390.0	-
Acquisition of subsidiaries, net of cash acquired	-	-0.3
Sale of subsidiaries, net of cash disposed	41.2	2,887.8
Sale proceeds from disposal of assets	0.0	5.1
Interest received	1.1	1.0
Cash used in / generated from investing activities	-355.9	2,858.6
Repayment of financial liabilities	-	-349.1
Acceleration fee of financial liabilities	-	-45.5
Loans to associated companies	-1.3	-
Payments to non-controlling interests in equity	-	-2.4
Cash used in financing activities	-1.3	-397.0
Change in cash and cash equivalents	-351.6	2,461.8
Cash and cash equivalents at 1 January	695.3	116.8
Cash and cash equivalents at 31 March	343.7	2,578.6
of which held-for-sale cash and cash equivalents at 31 March	-	8.0
of which cash and cash equivalents not held for sale at 31 March	343.7	2,570.6

Condensed Notes

GENERAL INFORMATION

At the end of February last year, RHÖN-KLINIKUM AG sold a portfolio of 39 hospitals, medical care centres and other affiliated investments to Fresenius/Helios (recognised in the consolidated interim report of the previous year with two months' operations). As a result of the fundamental changes in the corporate structure and in the hospital portfolio, as well as due to one-off effects mainly caused by the transaction, the business figures for the first quarter of 2015 are only comparable to the previous year's period to a very small degree.

RHÖN-KLINIKUM AG now acts as an integrated health group that specialises in full-service medicine services.

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 7 May 2015 on the homepage of RHÖN-KLINIKUM AG as well as with Deutsche Börse (the German Stock Exchange).

ACCOUNTING POLICIES

The Interim Consolidated Financial Statements of RHÖN-KLINIKUM AG as at 31 March 2015 have been prepared in accordance with the rules of IAS 34 in condensed 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 2014.

Changes to IFRS 1 "Applicable IFRS", IFRS 3 "Exceptions from the scope for joint arrangements and accounting contingent considerations in conjunction with company mergers" (Annual Improvement to IFRS's Cycle 2010-2012), IFRS 13 "Scope of so-called portfolio exception and waiver of discounting for fair value measurement of future receivables and liabilities, insofar as the effect is immaterial" and IAS 40 "Connection between IFRS 3 and IAS 40 in the classification of investment properties as owner-occupied" (Annual Improvement to IFRS's Cycle 2011-2013) have to be applied from 1 January 2015. These amendments have no material impact on the presentation of the net assets, financial position and results of operations.

The interpretations of IFRIC 21 "Levies" have to be applied retroactively to financial years that start on or after 17 June 2014. The impact on the accounting and measurement and representation in the consolidated financial statements of RHÖN-KLINIKUM AG have been classed as immaterial.

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

CONSOLIDATED COMPANIES

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. 2014	Additions	Disposals	31 Mar. 2015
Fully consolidated subsidiaries	27	0	0	27
Subsidiaries accounted for using the equity method	2	1	0	3
Other subsidiaries	6	0	0	6
Consolidated group	35	1	0	36

Fully consolidated subsidiaries are all companies (including structured companies), where it is possible for the group to control these companies according to IFRS 10. When assessing whether there is control, a check is performed as to whether the parent company has power over the subsidiary, receives resulting positive or negative variable returns and can influence their amount as a result of its power. The Group reviews whether control is exercised also when the parent company holds less than 50.0 % of the voting rights but has the option of controlling the relevant activities of the subsidiary based on de facto control. De facto control exists for example in the case of voting right agreements or high minority rights. Subsidiaries are included in the consolidated financial statements (full consolidation) from the date when control transfers to the group. They are deconsolidated when the control ends. Acquired subsidiaries are recognised according to the acquisition method.

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 joint ventures are accounted for using the equity method and upon their first-time consolidation are recognised at cost. The group's share in associated companies or joint ventures includes the goodwill at the time of acquisition (taking into account cumulative impairments).

Other companies are those, whose influence on the asset and income situation individually and overall is immaterial. They are recognised in the consolidated financial statements at cost or lower fair value.

The addition in the first quarter 2015 results from the investment in the company "Wir für Gesundheit GmbH" together with Helios and Asklepios. The objective of the cooperation is to develop and market health insurance products and to broker these products. RHÖN-KLINIKUM AG holds an interest of 33.3 % in the new entity. The company is consolidated using the equity method.

Company acquisitions

Three clinical doctor's practices were purchased in the first three months of the 2015 financial year, for which the conditions of validity as per agreement were satisfied at 1 April 2015 and the transfer and inclusion of which in the consolidated financial statements will be completed in the second quarter of 2015. No incidental costs were incurred from the acquisition of the doctor's practices. The provisional purchase price allocation will have the following impact on the asset situation of the Group in the second quarter of 2015:

Purchase of clinical doctor's practices valid at 1 April 2015	Fair value post acquisition € m
Acquired assets and liabilities	
Intangible assets	0.0
Property, plant and equipment	0.2
Net assets acquired	0.2
+ Goodwill	0.6
Cost	0.8
- Purchase price payments outstanding	-0.8
- Acquired cash and cash equivalents	0.0
Cash outflow on transaction	0.0

OPERATING SEGMENTS

The Group's 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 institutions 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 March	2015 € m	2014 € m
Fields		
Acute hospitals	267.5	605.6
Medical care centres	1.9	13.3
Rehabilitation hospitals	6.7	10.6
	276.1	629.5
Federal states		
Bavaria	50.9	112.3
Saxony	0.1	65.7
Thuringia	43.5	72.4
Baden-Wuerttemberg	-	21.7
Brandenburg	33.3	32.7
Hesse	148.3	205.8
Mecklenburg-West Pomerania	-	1.6
Lower Saxony	-	78.8
North Rhine-Westphalia	-	16.1
Saxony-Anhalt	-	22.4
	276.1	629.5

According to IAS 18, revenues constitute revenues generated from the provision of services and declined compared with the same period last year by € 353.4 million or 56.1 % to € 276.1 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 the previous year's interim consolidated financial statements based on two months).

Other income

January through March	2015 € m	2014 € m
Income from services rendered	29.5	38.6
Income from grants and other allowances	2.5	4.2
Income from adjustment of receivables	0.2	1.2
Income from indemnification payments/Other reimbursements	0.2	0.3
Other	22.6	4.2
	55.0	48.5

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).

Because of the investigations carried out by the Main Customs Office Schweinfurt in 2011 of the cleaning companies, additional social insurance contributions were payable. However, an agreement was reached in Q1 2015 with the Deutsche Rentenversicherung concerning the social insurance contributions. All possible back-dated demands have been settled with the concluded agreement. In this context, the provisions formed for this of € 19.7 million were reversed in the first quarter of 2015 and the amount recognised under Other income.

Other expenses

January through March	2015 € m	2014 € m
Maintenance	10.1	19.4
Charges, subscriptions and consulting fees	5.3	13.7
Insurance	2.0	5.0
Administrative and IT costs	1.8	4.9
Impairment on receivables	1.4	4.6
Rents and leaseholds	1.1	4.7
Other personnel and continuing training costs	1.0	2.7
Travelling, entertaining and representation expenses	0.4	1.2
Secondary taxes	0.1	0.3
Losses on disposal of non-current assets	0.0	0.1
Other	3.4	6.8
	26.6	63.4

Compared with the same period last year, other expenditures in the first three months of 2015 witnessed a decline of € 36.8 million or 58.0 % to € 26.6 million. The decline results from the sale of hospitals, MVZs and other affiliated interests, for the most part at the end of February 2014.

Depreciation/amortisation and impairment

Compared with the same period last year, the depreciation/amortisation and impairment item increased by € 0.8 million to € 15.0 million. The reason for this is the adjustment of the useful life of assets at the Bad Neustadt a. d. Saale location in the second quarter of 2014, which increased costs.

Finance result

Compared with the same period last year, we recorded a fall in our negative finance result by € 55.2 million to € 0.5 million in the first three months of financial year 2015. The reduction results from the repayment of financial debts and associated acceleration fees in the first quarter of the previous year.

The finance result also includes profit shares in companies accounted for using the equity method in the amount of € 29,000 (previous year: profit shares of € 25,000).

Income taxes

January through March	2015 € m	2014 € m
Current income taxes	1.5	16.7
Deferred taxes	-0.1	3.8
	1.4	20.5

At an unchanged rate of taxation, the income tax expense item declined by € 19.1 million to € 1.4 million (previous year: 20.5 million) as a result of the sale of hospitals, MVZs and other affiliated interests.

At present, tax carry-forwards are only recognised Group-wide to the extent that it is considered probable that they will 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 2015	156.0	31.4	187.4
Additions due to changes in scope of consolidation	0.0	0.0	0.0
Additions	0.0	0.1	0.1
Disposals	0.0	0.0	0.0
Transfers	0.0	0.0	0.0
31 March 2015	156.0	31.5	187.5
Cumulative depreciation and impairment			
1 January 2015	0.0	23.7	23.7
Depreciation	0.0	0.5	0.5
Disposals	0.0	0.0	0.0
31 March 2015	0.0	24.2	24.2
Balance sheet value at 31 March 2015	156.0	7.3	163.3

	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	0.4	0.4
Disposals	251.1	28.6	279.7
Transfers	0.0	0.2	0.2
31 March 2014	163.0	34.2	197.2
Cumulative depreciation and impairment			
1 January 2014	0.0	48.3	48.3
Depreciation	0.0	0.6	0.6
Disposals	0.0	22.8	22.8
31 March 2014	0.0	26.1	26.1
Subtotal 31 March 2014	163.0	8.1	171.1
Assets held for sale	7.0	1.4	8.4
Balance sheet value at 31 March 2014	156.0	6.7	162.7

Property, plant and equipment

	Land and buildings	Technical plant and equipment	Operating and business equipment	Plant under construction	Total
	€ m	€ m	€ m	€ m	€ m
Cost					
1 January 2015	887.9	42.7	264.6	21.2	1,216.4
Additions	1.1	0.2	3.0	2.9	7.2
Disposals	0.0	0.0	7.6	0.0	7.6
Transfers	0.0	0.2	0.8	-1.0	0.0
31 March 2015	889.0	43.1	260.8	23.1	1,216.0
Cumulative depreciation and impairment					
1 January 2015	335.4	23.6	194.2	0.0	553.2
Depreciation	8.1	0.8	5.6	0.0	14.5
Disposals	0.0	0.0	7.6	0.0	7.6
31 March 2015	343.5	24.4	192.2	0.0	560.1
Balance sheet value at 31 March 2015	545.5	18.7	68.6	23.1	655.9

	Land and buildings	Technical plant and equipment	Operating and business equipment	Plant under construction	Total
	€ m	€ m	€ m	€ m	€ m
Cost					
1 January 2014	2,152.5	96.1	604.3	90.7	2,943.6
Additions	1.7	0.1	6.0	7.8	15.6
Disposals	1,169.8	53.5	326.8	43.5	1,593.6
Transfers	27.7	0.4	4.5	-32.8	-0.2
31 March 2014	1,012.1	43.1	288.0	22.2	1,365.4
Cumulative depreciation and impairment					
1 January 2014	558.5	55.0	413.4	0.0	1,026.9
Depreciation	6.7	0.7	6.2	0.0	13.6
Disposals	252.0	33.8	222.4	0.0	508.2
31 March 2014	313.2	21.9	197.2	0.0	532.3
Subtotal 31 March 2014	698.9	21.2	90.8	22.2	833.1
Assets held for sale	103.5	2.7	18.6	4.2	129.0
Balance sheet value at 31 March 2014	595.4	18.5	72.2	18.0	704.1

Other financial assets (non-current)

For the first time time deposits of € 30 million (31 December 2014: € 0.0 million) are recognised under this item. Also a long-term loan of € 13.0 million (31 December 2014: € 11.7 million) is recognised under this item.

Other assets (non-current)

Interests in companies accounted for using the equity method at € 0.3 million (31 December 2014: € 0.3 million) are reported under other assets (non-current) on the grounds of materiality.

Other financial assets (current)

Because of the low interest rates for time overnight deposits and short-term cash investments, in 2015 time deposits with a residual term of < 1 year totalling € 360 million (31 December 2014: € 0.0 million) were made.

Equity

The increase in equity of € 32.8 million results entirely from the consolidated profit for the first three months of the financial year 2015.

Financial liabilities

In financial year 2010, RHÖN-KLINIKUM AG 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 %. 61.95 % of the outstanding nominal amount of this bond was redeemed, with the result that € 152.2 million remained on the market from this bond. In July 2014, the bond was further redeemed with a nominal value of € 9.0 million. As at 31 March 2015, a nominal amount of € 143.2 million remained on the market. Additionally, as at 31 March 2015 there was a fixed interest loan with final maturity in 2017 of € 10.0 million.

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:

Valuation category according to IAS 39	31 March 2015	of which		31 Dec. 2014	of which	
		Financial instruments			Financial instruments	
		Carrying amount	Fair value		Carrying amount	Fair value
	€ m	€ m	€ m	€ m	€ m	€ m
ASSETS						
Non-current assets						
Other financial assets	43.0	43.0	42.9	11.7	11.7	11.6
of which investments	Available-for-sale financial assets	0.0	0.0	0.0	0.0	0.0
	Financial assets measured at fair value through profit or loss	0.0	0.0	0.0	0.0	0.0
of which derivative financial instruments (HfT)	Loans and receivables	43.0	43.0	42.9	11.7	11.6
of which other						
Current assets						
Trade receivables and other financial assets	564.5	564.5	564.5	226.1	226.1	226.1
of which trade receivables and other financial assets	Loans and receivables	564.5	564.5	226.1	226.1	226.1
	Financial assets measured at fair value through profit or loss	0.0	0.0	0.0	0.0	0.0
of which securities (HfT)	Financial assets measured at fair value through profit or loss	0.0	0.0	0.0	0.0	0.0
of which derivative financial instruments (HfT)	Loans and receivables	343.7	343.7	695.4	695.4	695.4
Cash and cash equivalents						
LIABILITIES						
Non-current liabilities						
Financial liabilities	10.0	10.0	9.9	152.9	152.9	149.8
of which financial liabilities	Financial liabilities measured at amortised cost	10.0	10.0	9.9	152.9	149.8
of which derivative financial instruments (hedge accounting)	N.A.	0.0	0.0	0.0	0.0	0.0
Other financial liabilities	17.3	17.3	20.1	17.3	17.3	20.4
of which other financial liabilities	Financial liabilities measured at amortised cost	16.1	16.1	18.9	15.9	19.0
of which from finance leases	N.A.	1.2	1.2	1.2	1.4	1.4
Current liabilities						
Trade payables	Financial liabilities measured at amortised cost	79.9	79.9	79.9	89.6	89.6
Financial liabilities	143.3	143.3	143.3	4.5	4.5	4.5
of which financial liabilities	Financial liabilities measured at amortised cost	143.3	143.3	143.3	4.5	4.5
of which derivative financial instruments (HfT)	Financial liabilities measured at fair value through profit or loss	0.0	0.0	0.0	0.0	0.0
Other financial liabilities	31.7	31.7	31.7	24.9	24.9	24.9
of which other financial liabilities	Financial liabilities measured at amortised cost	31.2	31.2	31.2	24.4	24.4
of which from finance leases	N.A.	0.5	0.5	0.5	0.5	0.5
Aggregated according to measurement categories, the above figures are as follows:						
	Loans and receivables		951.2	951.1	933.2	933.1
	Financial liabilities measured at amortised cost		280.5	283.2	287.3	287.3

The fair values of the financial assets and liabilities recognised at amortised cost are allocated to the three levels of the fair value hierarchy as follows:

	Level 1 € m	Level 2 € m	Level 3 € m	Total € m	31 Dec. 2014 € m
Non-current assets from loans and receivables	-	42.9	-	42.9	11.6
Current assets from loans and receivables	-	564.5	-	564.5	226.1
Non-current liabilities from financial liabilities	-	9.9	-	9.9	149.8
Non-current liabilities from other financial liabilities	-	20.1	-	20.1	20.4
Current liabilities from trade payables	-	79.9	-	79.9	89.6
Current liabilities from financial liabilities	143.3	0.0	-	143.3	4.5
Current liabilities from other financial liabilities	-	31.7	-	31.7	24.9

The levels of the fair value hierarchy and their application to the 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, and
- 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. A separate credit risk, derived from the bond listed on the market, is taken into account here.

Of the other financial assets (non-current), € 0.0 million (31 December 2014: € 0.0 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.

Trade receivables, 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 banks as well as a bond. The fair value of the loan from the banks and the fair value of other non-current 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 values of the liabilities are allocated to Level 2 of the fair value hierarchy because of the input factors observable on the market. The fair value of the bond is calculated from the nominal value multiplied by the price on the last trading day of the reporting year and therefore has to be allocated to Level 1 of the fair value hierarchy.

For the trade payables 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. 1 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 2015 up to and including 31 March 2015 are listed.

Voting interest on date that interest exceeds / falls below threshold							
Notifying entity	Published on	Held directly %	Attributed %	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:
Litespeed (Jamie Zimmermann)	25 March 2015		3.24	3.24	13 February 2015	> 3 %	Jamie Zimmermann: 3.24 % attributed pursuant to section 22 (1) sentence 1 no. 6 in conjunction with sentence 2 WpHG; 1.04 % attributed pursuant to section 22 (1) sentence 1 no. 2 in conjunction with sentence 2 WpHG; 3 % or more is attributed to Jamie Zimmermann from shares in Litespeed Master Fund, Ltd.
	25 March 2015		3.24	3.24	13 February 2015	> 3 %	Litespeed Offshore Fund Ltd.: 3.24 % attributed pursuant to section 22 (1) sentence 1 no. 1 WpHG; 2.17 % pursuant to section 22 (1) sentence 1 no. 2 WpHG; Names of controlled entities: Litespeed Master Fund, Ltd.
	25 March 2015		3.24	3.24	13 February 2015	> 3 %	Litespeed Management L.L.C.: 3.24 % attributed pursuant to section 22 (1) sentence 1 no. 6 WpHG; 3 % or more is attributed to Litespeed Management L.L.C. from shares in Litespeed Master Fund, Ltd..
	25 March 2015	3.24		3.24	13 February 2015	> 3 %	Litespeed Master Fund, Ltd.

The reported voting interests may have changed since 31 March 2015. With regard to notifications on threshold events pursuant to section 21 (1) of the WpHG that took place as of 1 April 2015, and for additional information on the attribution of the respective voting rights pursuant to section 22 of the WpHG, we refer to the publications on our homepage in the Investors/IR News section. The notified voting interests and/or interest in the registered share capital were determined by the notifying entities on the basis of the existing aggregate number of shares at the time of the notification of voting rights.

Based on the threshold events notified to us, the following picture pursuant to sections 21, 22 of the WpHG in terms of shareholder structure emerges as at the relevant key date of 31 March 2015:

Voting interest pursuant to sections 21, 22 WpHG on date that interest exceeds / falls below threshold							
Notifying entity	Published on	Held directly %	Attributed %	Voting rights held %	Date that interest exceeds/falls below the threshold	Interest exceeding / falling below threshold in the case of	Attribution pursuant to WpHG (section 21 (1) WpHG)
B. Braun Melsungen Aktiengesellschaft, Melsungen, Germany	26 November 2014	18.01		18.01	20 November 2014	> 10 % / > 15 %	Section 21 (1) Attribution pursuant to section 22 (1) sentence 1 no. 1 to Ludwig G. Braun GmbH & Co. KG, B. Braun Holding GmbH & Co. KG, BraHo Verwaltungsgesellschaft mbH, Prof. Dr. h. c. Ludwig Georg Braun, Ilona Braun, Martin Lüdicke
Asklepios/Dr. gr. Broermann, Germany	24 November 2014		15.25	15.25	20 November 2014	> 10 % / > 15 %	Section 22 (1) sentence 1 no. 1 15.25 % of the voting rights from shares in Asklepios Kliniken GmbH and in Asklepios Verwaltungsgesellschaft mbH is attributed to Dr. Bernard gr. Broermann
Eugen Münch, Germany	20 November 2014	6.32		6.32	20 November 2014	> 5 %	Section 21 (1)
Ingeborg Münch, Germany	20 November 2014	4.95		4.95	20 November 2014	> 3 %	Section 21 (1)
Old Mutual Plc, UK	23 December 2014		4.17	4.17	24 November 2014	> 3 %	Section 22 (1) sentence 1 no. 6 in conjunction with sentence 2
Litespeed (Jamie Zimmermann)	25 March 2015	3.24		3.24	13 February 2015	> 3 %	Section 21 (1)

There are no notifications regarding the statutory reporting thresholds according to sections 25, 25a WpHG in the reporting period from 1 January through 31 March 2015. The voting interests may have changed since 31 March 2015. With regard to notifications on threshold events that took place as of 1 April 2015, and for additional information on the underlying financial instruments, on attribution and on the holding structures of the respective voting rights, please refer to the publications on our homepage in the Investors/IR News section.

As at 31 March 2015, the Company holds 24,000 treasury shares. This corresponds to 0.033 % of the voting rights.

Corporate Bodies and Advisory Board

Since the last reporting date, the composition of the Supervisory Board has remained unchanged. Regarding the composition of the Supervisory Board as well as its allocation of duties and responsibilities, please refer to the Annual Report as at 31 December 2014.

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 2014.

The composition of the Advisory Board as well as its allocation of duties and responsibilities have not changed since 31 December 2014.

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 2014. 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 not significantly 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 2014. The same applies for the financial receivables and/or liabilities that existed with related parties. In the third quarter of 2014, the newly founded Marburger Ionenstrahl-Therapie Betriebs-Gesellschaft des Universitätsklinikums Heidelberg mit beschränkter Haftung was included. As at 31 March 2015 there was a long-term loan of €13.0 million (31 December 2014: €11.7 million) with this company and trade receivables of €0.2 million (31 December 2014: €0.1 million). Additionally, income from the forwarding of costs and interest expenses totalling €0.3 million was reported in the first quarter of 2015 (previous year: €0.0 million).

With effect from 12 June 2014, Prof. Dr. h. c. Ludwig Georg Braun was elected to the Supervisory Board. For the first quarter of 2015, parties related to him performed supply and service relationships to the RHÖN-KLINIKUM Group involving a volume of roughly €2.0 million. As at the key date of 31 March 2015, trade payables in a total amount of roughly €0.1 million existed (31 December 2014: €0.2 million).

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

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

The contractual remuneration for the members of the Supervisory Board as at the reporting date 31 March 2015 changed from financial year 2015 to the extent that the remuneration is paid without success-related components. The remuneration for the Supervisory Board is performance-related

and is based on time, the tasks and the responsibility of the members of the Supervisory Board functionally assumed. Detailed information about this is stated in our 2014 Annual Report.

The contractual remuneration for the members of the Board of Management has remained unchanged since the presentation in the 2014 Annual Report.

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

There were no notifications concerning transactions according to section 15a WpHG by management (Directors' Dealings) in the first quarter of 2015.

Employees

At the reporting date of 31 March 2015, the Group employed a total of 15,488 persons (31 December 2014: 15,602 persons).

Other financial obligations

The other financial obligations have not changed significantly since the last reporting date.

Contingent liabilities

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

Earnings per share

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

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

	No. of shares on 31 March 2015	No. of shares on 31 March 2014
Non-par shares	73,481,860	138,232,000
Treasury non-par shares	-24,000	-24,000
Shares in issue	73,457,860	138,208,000

Earnings per share are calculated as follows:

Non-par shares	31 March 2015	31 March 2014
Share in consolidated profit (€ '000)	32,164	1,396,276
Weighted average number of shares outstanding, in thousands	73,458	138,208
Earnings per share in €	0.44	10.10

Statement of Cash Flows

The Statement of Cash Flows 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 (Statement of Cash Flows), a distinction is made between cash flows from operating activities, investing activities as well as financing activities. The remaining purchase price from the transaction with Fresenius/Helios of € 41.2 million (previous year: € 2,887.8 million) from the sale of subsidiaries, less sold cash and cash equivalents in 2015 is reported under Investments. In addition, time deposits of € 390 million are reported under Investments. The liquidity shown in the statement of changes in financial position includes cash on hand, cheques as well as cash with banks. For the purposes of the Statement of Cash Flows, bank overdrafts in the amount of € 0.0 million (previous year: € 0.4 million) are deducted from cash and cash equivalents. The Statement of Cash Flows has included a figure of € 3.7 million for outstanding construction invoices (previous year: € 5.0 million) and a figure of € 0.1 million for non-cash expenditures from financial derivatives.

Bad Neustadt a. d. Saale, 7 May 2015

RHÖN-KLINIKUM Aktiengesellschaft

THE BOARD OF MANAGEMENT

Martin Menger

Jens-Peter Neumann

Dr. Dr. Martin Siebert

KEY FIGURES

KEY FIGURES JANUARY THROUGH MARCH 2015 / JANUARY THROUGH MARCH 2014

Data in € m	Jan. - March 2015	Jan. - March 2014	Change in %
Revenues	276.1	629.5	-56.1
Materials and consumables used	79.9	166.1	-51.9
Employee benefits expense	174.9	386.4	-54.7
Depreciation/amortisation and impairment	15.0	14.2	5.6
Consolidated result according to IFRS	32.8	1,397.6	N.A.
Earnings share of RHÖN-KLINIKUM AG shareholders	32.2	1,396.3	N.A.
Earnings share of non-controlling interests	0.6	1.3	-53.8
Return on revenues (%)	11.9	222.0	N.A.
EBT	34.2	1,418.1	N.A.
EBIT	34.6	1,473.8	N.A.
EBIT - ratio (%)	12.5	234.1	N.A.
EBITDA	49.7	1,488.0	N.A.
EBITDA ratio (%)	18.0	236.4	N.A.
Operating cash flow	47.8	1,411.2	N.A.
Property, plant and equipment as well as investment property	658.9	707.3 *	-6.8
Non-current income tax assets	4.6	6.8 *	-32.4
Equity according to IFRS	1,281.7	3,071.8	-58.3
Return on equity, %	10.4	54.4	-80.9
Balance sheet total according to IFRS	1,816.9	3,929.1	-53.8
Investments in property, plant and equipment, intangible assets as well as in investment property	7.3	16.3	-55.2
Earnings per ordinary share (€)	0.44	10.10	-95.6
Number of employees (headcount)	15,488	19,929	-22.3
Case numbers (patients treated)	191,730	567,137	-66.2
Beds and places	5,235	6,831	-23.4

* Excluding held-for-sale assets.

FINANCIAL CALENDAR

DATES FOR SHAREHOLDERS AND ANALYSTS

2015

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

RHÖN-KLINIKUM Aktiengesellschaft

Postal address:

97615 Bad Neustadt a. d. Saale,
Germany

Visitors' address:

Salzburger Leite 1
97616 Bad Neustadt a. d. Saale,
Germany

Phone ++ 49 97 71 65-0

Fax ++49 97 71 9 74 67

Internet:

www.rhoen-klinikum-ag.com

E-mail:

rka@rhoen-klinikum-ag.com

This Interim Report is also available in
German.