

# INTERIM REPORT

## Q1 – Q3 2017



**RHÖN-KLINIKUM**  
AKTIENGESELLSCHAFT

**INHALT**

**LETTER TO SHAREHOLDERS ..... 1**

**THE RHÖN-KLINIKUM SHARE..... 3**

**GROUP INTERIM REPORT OF THE MANAGEMENT ..... 5**

**CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENT ..... 14**

**KEY FIGURES ..... 36**

**FINANCIAL CALENDAR..... 39**

## LETTER TO SHAREHOLDERS

Dear Shareholders,

RHÖN-KLINIKUM AG is well on its way to meeting its targets – we confirm our outlook for the current financial year. Our innovative campus approach, dispensing with the previous strict separation between inpatient and outpatient medical services and introducing many attractive patient-oriented services, combined with the modern digital tools used by our staff, provides the basis for our future success as a full-service provider of medical services, especially in rural regions. It is here that we see considerable potential to continue to position ourselves as an innovation leader on the healthcare market. At the end of 2018, the Campus in Bad Neustadt will be launched; we are on schedule with all measures.

Compared with the previous year, we succeeded, in the third quarter of the current financial year, in raising the number of patients treated by 3.7% and increasing revenues by 3.2%. Despite these positive developments, we recorded a decrease in earnings before interest, tax and depreciation and amortisation (EBITDA). The reasons for this are given in the statements hereafter.

For the Company to implement as well as finance its strategic objectives, we need a sound and sustainable operating basis. Currently we are not living up to our performance potential. That is why we have to bring about improvements as soon as possible in the operative business – both as regards the trend in earnings and the Company's other key figures, and structurally. To this end, we adopted in July 2017 a comprehensive action plan and are implementing it in short order and with clear lines of responsibility.

We expect this plan to bring about the first noticeable operative improvements in 2018. In a first phase, the plan concentrates on our most urgent challenges. We are countering the numerous complaints from the Medical Review Board of the Statutory Health Insurance Funds (MDK) – as a result of which for some time we have not received any remuneration at all for services provided or have been remunerated for these only with considerable delays – with a package of measures such as more thorough training, documentation and additional use of software in order to bring down the rate of complaints and in this way lift our revenues. Moreover, we are reviewing all material preventive maintenance and servicing agreements at all hospital sites in terms of their economic feasibility. To reduce the cost-of-materials ratio, which is still too high, we are working together closely with with doctors to revise the materials catalogue and to pool purchases wherever we consider this reasonable. Parallel to this, efforts are being undertaken in the medical area to analyse and optimise staffing occupancy in cost-intensive core areas (e.g. intermediate care wards). Lastly, we are also reviewing the Group's structures in terms of whether they are still sensible, so as to further optimise coordination between headquarters and the hospital sites amongst one another.

The third quarter was also impacted by warning strikes by non-medical staff at Universitätsklinikum Gießen und Marburg (UKGM). In this context, a constructive dialogue is now being held in wage talks with union representatives. Our earnings are also being burdened by the regulatory measures of the legislature, such as lower remuneration for

cardiological and specialist orthopaedic services or the newly introduced fixed cost depression discount on surplus services. As a provider of cutting-edge medical care, like medical services of higher value, these developments affect us to a greater extent than many of our competitors.

The persistent structural underfinancing of UKGM in the context of separate accounting is still having negative effects. Although already in May of this year a path breaking agreement was reached for UKGM with the Hesse State Government and the two universities in Gießen and Marburg after a long-standing dispute, the contractual basis for this – and thus the basis for better financing our services for research and teaching – has yet to be finalised. We expect this by the end of the fourth quarter.

### **Outlook**

For the current financial year 2017, we confirm our forecast and expect revenues in the range of between € 1.20 billion and € 1.23 billion. For EBITDA, we expect a level of between € 85 million and € 105 million.

We will continue to tackle the tasks lying ahead steadfastly and resolutely and are

confident that we will succeed in keeping the delicate balance between improving the operative business on the one hand and meeting the strategic challenges of the campus expansion and digitalisation on the other. The Company is well prepared for this. Just by way of reminder: we are a thoroughly sound, debt-free Company with an equity ratio of 77%. We have financed the high level of investments – as seen from the extensive new construction measures at our sites, the re-orientation towards digitalisation and the purchase of new state-of-the-art medical technologies – from our own funds. This is what characterises us. And gives us the self-confidence, with the courage that this undoubtedly takes, to tread new paths in Germany's healthcare system. Given the demographic outlook and the rapid pace in the development of new medical technologies and the fundamental, now permanent shift in patient expectations, there is now no other alternative to this approach.

Bad Neustadt a. d. Saale, November 2017

Stephan Holzinger  
Chairman of the Board of Management

## THE RHÖN-KLINIKUM SHARE

In the third quarter of 2017, developments on the international stock markets continued to be helped once again by improved expectations for economic performance and the continuation of an expansive monetary policy. By contrast, almost no burdening effects are being felt from political uncertainty (North Korea conflict, terrorist attack in Spain, declaration of independence in Catalonia, federal elections in Germany) and the uncertainty over the future policy of central banks. Growing confidence in the economy in Europe and weak leadership from Trump (failure of healthcare reform, doubts in tax reform) kept the euro strong while putting a drag on the US dollar.

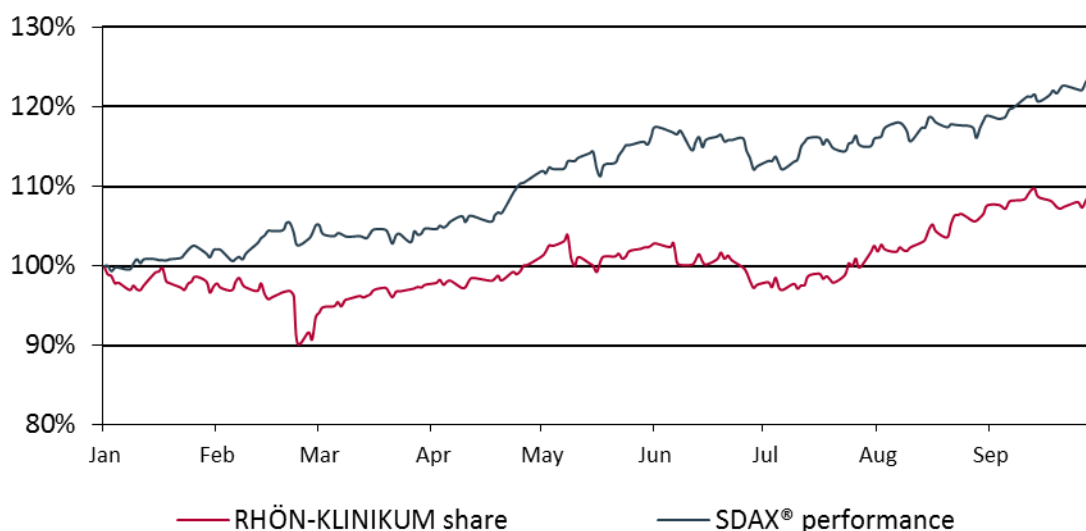
The European Central Bank (ECB) left its key rate unchanged at 0.00%, and at its meeting on 7 September left it open whether it will increase or possibly also reduce the volume of bond purchases in 2018. At its meeting on 20 September, the US Federal Reserve (Fed), as expected, left its key rate in the range between 1.00% and 1.25% and as of October started reducing its 4.5 billion dollar bond portfolio. As a result of the change in

reinvestment policy, the balance sheet total is to be gradually diminished over several years.

Economic sentiment further brightened in the US, the euro zone and Germany. In Germany, the ifo business climate index saw a further improvement and in July 2017 reached 116.1 points, its highest level since autumn of 2000. In August and September 2017, it declined slightly to 115.9 and 115.2 points, but is still well above its long-term average (from 1991) of 102.1 points.

The German lead index DAX® consolidated, after its high of 12,889 points on 19 June 2017, to 12,056 points by the end of August and then recovered by roughly 800 points during the historically weak stock market month of September. Overall, it improved over the third quarter by 4.1%. The SDAX® was helped among other things by high demand for small second-tier stocks driven by the buoyant domestic economy in Germany, and improved by 9.8%. The DJ EURO STOXX 50 climbed by 4.4% and the DJ EURO STOXX Healthcare, having risen in the first quarter by 11.0%, declined in the third quarter by 1.7%.

RHÖN-KLINIKUM share in comparison with the SDAX®



Source: XETRA®, stock performance indexed (2 Januar 2017 = 100)

| <b>RHÖN-KLINIKUM share</b>  |                            |                            |
|-----------------------------|----------------------------|----------------------------|
| ISIN                        | DE0007042301               |                            |
| Ticker symbol               | RHK                        |                            |
| Share capital (€)           | 167,406,175                |                            |
| Number of shares            | 66,962,470                 |                            |
| <b>Share prices (€)</b>     | <b>1 Jan.-30 Sep. 2017</b> | <b>1 Jan.-31 Dec. 2016</b> |
| Closing                     | 28.49                      | 25.66                      |
| High                        | 28.73                      | 28.27                      |
| Low                         | 23.65                      | 24.75                      |
|                             | <b>30 Sep. 2017</b>        | <b>31 Dec. 2016</b>        |
| Market capitalisation (€ m) | 1,907.76                   | 1,718.26                   |

After its weak performance during the first half, the share of RHÖN-KLINIKUM AG improved smartly in the course of the third quarter by 11.4% and ended the third quarter of 2017 at a closing price of € 28.49 (30 December 2016: € 25.66). During the third quarter, the share of RHÖN-KLINIKUM AG thus outperformed the German and European share indices.

At the end of the third quarter of the year our market capitalisation, including all issued

66.96 million non-par shares, stood at € 1.9 billion (30 December 2016: € 1.7 billion). In terms of the index ranking, we ranked 81<sup>st</sup> by market capitalisation (30 December 2016: 60<sup>th</sup>).

*A financial calendar is provided at the end of this Report as well as on our website at [www.rhoen-klinikum-ag.com](http://www.rhoen-klinikum-ag.com) under the section "Investor Relations".*

# GROUP INTERIM REPORT OF THE MANAGEMENT

## REPORT ON THE THIRD QUARTER OF 2017 AND THE FIRST NINE MONTHS OF FINANCIAL YEAR 2017

- With revenues of € 902.5 million, EBITDA of € 77.6 million – in each case for the first nine months of financial year 2017 – our key financial figures continue to be right on target.
- Utmost priority still given to improving the Company's profitability after reorganisation of Board of Management.
- Along with the planned organic development of our hospitals, we are further pressing ahead with our new construction and modernisation projects as well as our campus approach.
- Continuing further development of digitalisation strategy in administrative processes and diagnosis assistance.

### BASIC PRINCIPLES OF THE RHÖN-KLINIKUM GROUP

The condensed interim consolidated financial statements of RHÖN-KLINIKUM AG for the year ended 30 September 2017 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 2017.

The accounting and valuation methods applied, to the extent already applied in financial year 2016 and consistently applied in financial year 2017, are set out in detail in the Consolidated Financial Statement of RHÖN-KLINIKUM AG as at 31 December 2016. The accounting policies applicable for the first time in financial year 2017 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 presentation of the net assets, financial position and results of operations of the Group of RHÖN-KLINIKUM AG.

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

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

### ECONOMIC REPORT

#### MACROECONOMIC AND SECTOR-SPECIFIC ENVIRONMENT

After strong growth in the German economy in the first half of 2017, the upswing further strengthened in the third quarter of 2017, albeit with a somewhat diminished pace compared with the first half of 2017. The ifo business climate index declined slightly from

115.9 points in August 2017 to 115.2 points in September 2017, but is still well above its long-term average (from 1991) of 102.1 points. Lively industrial activity continues to be a key growth driver. The economy is moreover being helped by extremely high construction activities, excellent consumer sentiment as well as the continuing persistent growth in employment.

The German economy continues to be helped likewise by the still dynamic external economic environment. Exports are at a high level and export expectations point to further growth in future also.

The trend on the labour market is very positive. Employment subject to social insurance contributions and demand for labour continue to increase. The jobs index of the German Federal Employment Agency (BA-X), which shows the seasonal trend in labour demand, in September 2017 gained 4 points compared with the previous month to reach 244 points. The previous year's level is exceeded by 24 points. The jobless rate as calculated by the German Federal Employment Agency for September 2017 is around 5.5%. This is a decline of 0.4 percentage points compared with September 2016. The seasonally adjusted jobless rate declined compared with the previous month by 0.1 percentage points to 5.6%.

In September 2017, consumer prices as calculated by the Federal Statistical Office were 1.8% higher than in September 2016. Compared with August 2017, the consumer price index rose by 0.1% in September 2017.

The hospital sector is a growth market with non-cyclical, rising demand. Rising demand for medical treatments, a greying society, the rising number of chronically ill patients and greater health awareness are key drivers of growth. As before, the hospital sector continues to be influenced by two developments: demand for medical services, and, by contrast, inadequate adjustment in the remuneration of the services provided. There has consequently been an ever

widening gap between revenues and costs within the hospital sector and this trend of the past years is set to continue to impact the operating side.

The result is also being impacted by the most recent regulatory measures following the Act Reforming the Structures of Hospital Care (Krankenhausstrukturgesetz, KHSG) such as the reduction in remuneration for cardiological and specialist orthopaedic services, as well as the fixed cost degression discount applicable since 1 January 2017 that replaced the discount on surplus service volumes.

Economic and legal framework conditions of inpatient healthcare are presenting hospitals with big challenges in terms of market positioning and future planning. For hospitals to remain economically viable and efficient, they have to gear their strategic targets to the current and future challenges, such as social and demographic change, advances in medicine as well as digitalisation. The latter is providing medicine the opportunity to diagnose and treat patients in future more individually and with greater precision.

The shortage in skilled staff – driven by demographic change – is thus set to further exacerbate over the next years. A shortage is expected particularly in the healthcare sector, since it is there that the rising demand for skilled employees compares with rising demand being further driven by the greying of society. Recruiting top-qualified physician staff will be one of the challenges to be met in future given the emerging shortage in specialised personnel. We are confronting this task and the desire increasingly expressed 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.

Our experience in dealing with regulatory measures, our organisational flexibility as well as our trailblazing role in innovation and digitalisation are the best means of holding



our own in a challenging market environment. With our campus approach we have developed a promising future model for healthcare delivery in rural regions. Our aim is to provide the best possible medical care on a one-stop basis resulting in noticeable improvements for patients.

## BUSINESS PERFORMANCE OF THE FIRST NINE MONTHS

### Overall statement on economic position

| January to September | 2017<br>€ m | 2016<br>€ m | Change<br>€ m % |       |
|----------------------|-------------|-------------|-----------------|-------|
| Revenues             | 902.5       | 885.3       | 17.2            | 1.9   |
| EBITDA               | 77.6        | 131.5       | -53.9           | -41.0 |
| EBIT                 | 33.5        | 87.1        | -53.6           | -61.5 |
| EBT                  | 32.7        | 86.9        | -54.2           | -62.4 |
| Consolidated profit  | 27.0        | 82.4        | -55.4           | -67.2 |

With revenues up by € 17.2 million (1.9%), we record a decline in EBITDA by € 53.9 million or 41.0% to € 77.6 million, a decline in EBIT by € 53.6 million or 61.5% to € 33.5 million, as well as a decline in consolidated profit by € 55.4 million or 67.2% to € 27.0 million in the first nine months of 2017 compared with the same period last year. The respective decline is essentially attributable to the positive influences from delayed effects of the transaction with Fresenius/Helios in the amount of € 41.4 million during the same period of the previous year, as well as one-off expenses recognised in the first nine months of 2017 resulting from the changes in the Board of Management in the low single-digit million range.

The result in terms of our organic development was also hampered by the most recent regulatory measures following the Act Reforming the Structures of Hospital Care (Krankenhausstrukturgesetz, KHSG) such as the reduction in remuneration for cardiological and specialist orthopaedic services, as well as the fixed cost degression discount applicable since 1 January 2017 that replaced the discount on surplus service volumes. A further burden also comes from the increasing inspection rate and more restrictive inspection practice of the

Medical Review Board of the Statutory Health Insurance Funds (MDK).

Following the reorganisation of the Board of Management in the first quarter of 2017, we continue to concentrate our efforts on substantially improving our Company's profitability whilst at the same time forging ahead with the key projects of the future. At the same time, key importance is being given to our campus concept in which outpatient and inpatient services are being integrated at one location and including downstream offerings tailored to the elderly, such as rehabilitation or nursing.

Pursuing our efforts in digitalisation, i.e. the processing, editing and interpretation of data, continues to be at the forefront of our activities. Digitalisation will help to make fast-growing medical knowledge available so that patients can avail themselves of it to an even greater extent in their individual cases, for example by providing them with therapies tailored to their needs or enabling them to navigate their way more quickly through the healthcare system.

Also in future, we remain committed to being a pioneer of innovative developments and a dynamic force helping to shape the healthcare industry. For hospitals to remain economically viable and efficient, they have to gear their strategic targets to the current and future challenges. The latter are providing medicine the opportunity to diagnose and treat patients in future more individually and with greater precision.

### Trend in service volumes

|                         | Hospitals | Beds  |
|-------------------------|-----------|-------|
| As at 31 December 2016  | 11        | 5,348 |
| Change in capacities    | -         | 10    |
| As at 30 September 2017 | 11        | 5,358 |

As at 30 September 2017, our consolidated financial statements included eleven hospitals with 5,358 beds/places at a total of five sites in four federal states. Since 31 December 2016, we recorded only a moderate net change in the number of approved beds/places 10 at our

acute inpatient capacities in line with the requirement budgets in the individual federal states.

As at 30 September 2017, we operate seven medical care centres with a total of 40.50 specialist practices:

|                                | Medical care | Specialist practices |
|--------------------------------|--------------|----------------------|
| <b>As at 31 December 2016</b>  | <b>7</b>     | <b>35.75</b>         |
| <b>Opened/acquired</b>         |              |                      |
| MVZ Bad Berka                  | -            | 3.00                 |
| MVZ Frankfurt (Oder)           | -            | 2.50                 |
| <b>Disposals</b>               |              |                      |
| MVZ Marburg                    | -            | -0.75                |
| <b>As at 30 September 2017</b> | <b>7</b>     | <b>40.50</b>         |

Patient numbers at our hospitals and medical care centres developed as follows:

| January to September                          |                |                | Change        |             |
|---|----------------|----------------|---------------|-------------|
|   | 2017           | 2016           | absolute      | %           |
| Inpatient and semi-inpatient treatments,      |                |                |               |             |
| Acute hospitals                               | 159,003        | 161,158        | -2,155        | -1.3        |
| Rehabilitation hospitals and other facilities | 3,718          | 3,943          | -225          | -5.7        |
|   | <b>162,721</b> | <b>165,101</b> | <b>-2,380</b> | <b>-1.4</b> |
| Outpatient attendances at our                 |                |                |               |             |
| Acute hospitals                               | 353,284        | 354,829        | -1,545        | -0.4        |
| Medical care centres                          | 115,648        | 95,699         | 19,949        | 20.8        |
|   | <b>468,932</b> | <b>450,528</b> | <b>18,404</b> | <b>4.1</b>  |
| <b>Total</b>                                  | <b>631,653</b> | <b>615,629</b> | <b>16,024</b> | <b>2.6</b>  |

In the first nine months of financial year 2017, we treated a total of 631,653 patients (+ 16,024 patients or + 2.6%) in our hospitals and medical care centres. Of this rise, 18,404 patients or 114.9% are attributable to the outpatient area and -2,380 patients or -14.9% to the inpatient and semi-inpatient area. The decline in the number of patients treated on an inpatient and semi-inpatient basis is the result, among other things, of the systemic shift of pre-admission hospital cases to the outpatient sector as well as the discontinuation of rehabilitation at the psychosomatic hospital Psychosomatische Klinik in Bad Neustadt a.d. Saale. In addition, the shift in outpatient clinical cases to outpatient medical care centres is also having an impact on outpatient numbers.

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

| January to September | 2017  | 2016  |
|----------------------|-------|-------|
| Per-case revenue     |       |       |
| inpatient (€)        | 5,088 | 4,952 |
| outpatient (€)       | 159   | 150   |

Compared with the first nine months of financial year 2016, per-case revenue rose by 2.7% in the inpatient area and by 6.0% in the outpatient area.

## Results of operations

Consolidated performance figures developed as shown below:

| January to September           | 2017           | 2016           | Change       |              |
|--------------------------------|----------------|----------------|--------------|--------------|
|                                | € m            | € m            | € m          | %            |
| <b>Revenues</b>                |                |                |              |              |
| Revenues                       | 902.5          | 885.3          | 17.2         | 1.9          |
| Other income                   | 111.8          | 151.1          | -39.3        | -26.0        |
| <b>Total</b>                   | <b>1,014.3</b> | <b>1,036.4</b> | <b>-22.1</b> | <b>-2.1</b>  |
| <b>Expenditure</b>             |                |                |              |              |
| Materials and consumables used | 255.7          | 249.8          | 5.9          | 2.4          |
| Employee benefits expense      | 587.0          | 565.3          | 21.7         | 3.8          |
| Other expenses                 | 94.0           | 89.8           | 4.2          | 4.7          |
| <b>Total</b>                   | <b>936.7</b>   | <b>904.9</b>   | <b>31.8</b>  | <b>3.5</b>   |
| <b>EBITDA</b>                  | <b>77.6</b>    | <b>131.5</b>   | <b>-53.9</b> | <b>-41.0</b> |
| Depreciation                   | 44.1           | 44.4           | -0.3         | -0.7         |
| <b>EBIT</b>                    | <b>33.5</b>    | <b>87.1</b>    | <b>-53.6</b> | <b>-61.5</b> |
| Finance result                 | 0.8            | 0.2            | 0.6          | 300.0        |
| <b>EBT</b>                     | <b>32.7</b>    | <b>86.9</b>    | <b>-54.2</b> | <b>-62.4</b> |
| Income taxes                   | 5.7            | 4.5            | 1.2          | 26.7         |
| <b>Consolidated profit</b>     | <b>27.0</b>    | <b>82.4</b>    | <b>-55.4</b> | <b>-67.2</b> |

Revenues grew by € 17.2 million or 1.9% versus the same period last year. In this regard it has to be considered that personnel and material expenses in some cases are offset only partly by refinanced revenues and that the services are not adequately remunerated.

The decline in other income compared with the same period of the previous year by € 39.3 million or 26.0% to € 111.8 million is attributable to the income recognised during the same period last year resulting from the reversal of provisions for potential legal and tax warranty risks in the amount of € 41.4 million.

| January to September                | 2017<br>% | 2016<br>% |
|-------------------------------------|-----------|-----------|
| Materials ratio                     | 28.3      | 28.2      |
| Personnel ratio                     | 65.0      | 63.8      |
| Other cost ratio                    | 10.5      | 10.2      |
| Depreciation and amortisation ratio | 4.9       | 5.1       |
| Finance result ratio                | 0.1       | 0.0       |
| Effective tax ratio                 | 0.6       | 0.5       |

Compared with the same period last year, materials and consumables used rose disproportionately to revenues in the first nine months of 2017 by € 5.9 million or 2.4%. The materials ratio rose slightly from 28.2% to 28.3%.

The employee benefits expense and other expenses rose compared with the same period last year. Whilst the employee benefits expense, which includes the one-off expenses from the changes in the Board of Management in the low single-digit million range recognised in the first nine months of 2017, rose by € 21.7 million or 3.8%, the other expenses item increased by € 4.2 million or 4.7%. In this context, the personnel ratio rose from 63.8% to 65.0% and the other expenses ratio from 10.2% to 10.5%.

Compared with the same period last year, the depreciation/amortisation item declined slightly by € 0.3 million or 0.7% to € 44.1 million and thus continues to be at the previous year's level.

The rise in the negative financial result in the first nine months of financial year 2017 by € 0.6 million to € 0.8 million stems in particular from higher loss shares in companies consolidated using the equity method.

Our net liquidity is calculated as follows:

|                                 | 30 Sept. 2017<br>€ m | 31 Dec. 2016<br>€ m |
|---------------------------------|----------------------|---------------------|
| Current cash                    | 126.9                | 80.8                |
| Current fixed term deposits     | 130.1                | 185.1               |
| Non-current fixed term deposits | 5.0                  | 50.1                |
| Cash, fixed term deposits       | 262.0                | 316.0               |
| Current financial liabilities   | 0.0                  | 10.0                |
| Finance lease liabilities       | 4.3                  | 4.0                 |
| Financial liabilities           | 4.3                  | 14.0                |
| <b>Net liquidity</b>            | <b>257.7</b>         | <b>302.0</b>        |

At an unchanged rate of taxation, the income tax expense item rose by € 1.2 million to € 5.7 million (previous year: € 4.5 million) compared with same period of the previous year on the back of a higher taxable result.

Compared with the first nine months of financial year 2016 consolidated profit declined by € 55.4 million or 67.2% to € 27.0 million (previous year: € 82.4 million). This is attributable primarily to the positive influences from delayed effects of the transaction with Fresenius/Helios during the same period of the previous year, as well as one-off expenses recognised in the first nine months of financial year 2017 resulting from the change in the Board of Management in the low single-digit million range.

Non-controlling interests in profit declined compared with the same period last year by € 0.5 million or 26.3% to € 1.4 million (previous year: € 1.9 million).

The interest of RHÖN-KLINIKUM AG shareholders in profit for the first nine months of 2017 declined by € 54.9 million or 68.2% to € 25.6 million compared with the same period last year (previous year: € 80.5 million). The interest in profit of the shareholders corresponds to earnings per share of € 0.38 (previous year: € 1.20) in accordance with IAS 33 (undiluted/diluted).

The total result (sum of net consolidated profit and other earnings) stood at € 27.2 million (previous year: € 82.2 million) in the first nine months of financial year 2017.

### Net assets and financial position

|                               | 30 Sept. 2017  |              | 31 Dec. 2016   |              |
|-------------------------------|----------------|--------------|----------------|--------------|
|                               | € m            | %            | € m            | %            |
| <b>ASSETS</b>                 |                |              |                |              |
| Non-current assets            | 917.4          | 63.0         | 936.1          | 64.3         |
| Current assets                | 538.8          | 37.0         | 520.1          | 35.7         |
|                               | <b>1,456.2</b> | <b>100.0</b> | <b>1,456.2</b> | <b>100.0</b> |
| <b>EQUITY AND LIABILITIES</b> |                |              |                |              |
| Equity                        | 1,115.7        | 76.6         | 1,113.4        | 76.5         |
| Long-term loan capital        | 26.6           | 1.8          | 25.4           | 1.7          |
| Short-term loan capital       | 313.9          | 21.6         | 317.4          | 21.8         |
|                               | <b>1,456.2</b> | <b>100.0</b> | <b>1,456.2</b> | <b>100.0</b> |

The balance sheet total is unchanged compared with the reporting date of

31 December 2016. Whereas the balance sheet total was diminished by the distribution of the dividend to shareholders and non-controlling interests in profit in the amount of € 24.8 million, consolidated profit of the first nine months of financial year 2017 in the amount of € 27.0 million resulted in an increase in the balance sheet total.

The equity capital ratio saw a slight rise compared with the last reporting date, from 76.5% to 76.6%.

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

| Equity                                   | 2017         |                           |         | 2016    |
|--|--------------|---------------------------|---------|---------|
|  | Shareholders | Non-controlling interests | Total   | Total   |
|  | € m          | € m                       | € m     | € m     |
| As at 1 January                          | 1,090.6      | 22.8                      | 1,113.4 | 1,108.7 |
| Equity transactions with owners          | -23.4        | -1.4                      | -24.8   | -53.7   |
| Total comprehensive income of the period | 25.7         | 1.4                       | 27.1    | 82.2    |
| Other changes                            | -            | -                         | -       | -       |
| As at 30 September                       | 1,092.9      | 22.8                      | 1,115.7 | 1,137.2 |

As at 30 September 2017, equity stands at € 1,115.7 million (31 December 2016: € 1,113.4 million). The rise in equity capital compared with the reporting date of 31 December 2016 by € 2.3 million results from distributions to shareholders of RHÖN-KLINIKUM AG and non-controlling interests in profit (€ 24.8 million) on the one hand, and from consolidated profit of the first nine months of 2017 (€ 27.0 million) as well as gains from the revaluation of defined benefit pension plans (€ 0.1 million) on the other.

124.5% (31 December 2016: 121.7%) of non-current assets is nominally covered by equity and non-current liabilities at matching maturities. As at 30 September 2017, we report net liquidity of € 257.7 million (31 December 2016: € 302.0 million).

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

| January to September                             | 2017<br>€ m  | 2016<br>€ m  |
|--|--------------|--------------|
| Cash generated from operating activities         | 52.4         | 92.2         |
| Cash generated from investing activities         | 28.3         | 42.5         |
| Cash used in financing activities                | -34.6        | -197.3       |
| <b>Change in cash and cash equivalents</b>       | <b>46.1</b>  | <b>-62.6</b> |
| Cash and cash equivalents at 1 January           | 80.8         | 143.3        |
| <b>Cash and cash equivalents at 30 September</b> | <b>126.9</b> | <b>80.7</b>  |

Cash and cash equivalents increased during the first nine months of 2017 by € 46.1 million (change in first nine months of 2016 by - € 62.6 million).

The change compared with the same period of the previous year is attributable to the change in cash used in financing activities. This was influenced by the repayment of our exchange-listed bond made in the first quarter of 2016, which resulted a cash outflow of € 143.2 million.

The change in cash generated from investing activities was influenced decisively in particular by cash generated from terminations of fixed deposits. Whereas in the same period last year cash amounting to € 119.8 million was generated from terminations of fixed deposits, cash of € 100.0 million was generated in the first nine months of 2017 from terminations of fixed deposits.

## Investments

Aggregate investments of € 78.6 million (previous year: € 81.6 million) in the first nine months of financial year 2017 are shown in the following table:

|                     | Use of              |                  |              |
|---------------------|---------------------|------------------|--------------|
|                     | Gov't grants<br>€ m | Own funds<br>€ m | Total<br>€ m |
| Current investments | 7.7                 | 69.7             | 77.4         |
| Takeovers           | -                   | 1.2              | 1.2          |
| <b>Total</b>        | <b>7.7</b>          | <b>70.9</b>      | <b>78.6</b>  |

Of these investments made in the first nine months, € 7.7 million (previous year: € 7.4 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 our equity-financed investments by site is given below:

|                          | € m         |
|--------------------------|-------------|
| Bad Neustadt a. d. Saale | 39.3        |
| Gießen, Marburg          | 17.4        |
| Frankfurt (Oder)         | 9.2         |
| Bad Berka                | 5.0         |
| <b>Total</b>             | <b>70.9</b> |

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

## Employees

| Employees            | 30 Sept. 2017 | 31 Dec. 2016  | Change     |            |
|----------------------|---------------|---------------|------------|------------|
|                      |               |               | absolute   | %          |
| Hospitals            | 14,890        | 14,802        | 88         | 0.6        |
| Medical care centres | 208           | 182           | 26         | 14.3       |
| Service companies    | 1,536         | 1,502         | 34         | 2.3        |
| <b>Total</b>         | <b>16,634</b> | <b>16,486</b> | <b>148</b> | <b>0.9</b> |

On 30 September 2017, the Group employed 16,634 persons (31 December 2016: 16,486).

## PERFORMANCE OF THE THIRD QUARTER

| July to September   | 2017  | 2016  | Change |       |
|---------------------|-------|-------|--------|-------|
|                     | € m   | € m   | € m    | %     |
| Revenues            | 304.0 | 294.7 | 9.3    | 3.2   |
| EBITDA              | 27.4  | 28.1  | -0.7   | -2.5  |
| EBIT                | 12.6  | 13.2  | -0.6   | -4.5  |
| EBT                 | 12.4  | 13.3  | -0.9   | -6.8  |
| Consolidated profit | 10.0  | 12.8  | -2.8   | -21.9 |

Compared with the same period last year, revenues of the third quarter of 2017 rose by € 9.3 million or 3.2% to reach € 304.0 million. In the third quarter of 2017 we also record a decline in EBITDA by € 0.7 million or 2.5% to € 27.4 million, a decline in EBIT by € 0.6 million or 4.5% to € 12.6 million, as well as a decline in consolidated profit by € 2.8 million or 21.9% to € 10.0 million.

In this regard it has to be noted that in the third quarter of 2016 income resulting from the reversal of provisions for potential legal and tax warranty risks in the amount of € 0.8 million was included which had a positive influence on our key ratios.

Furthermore, a system-related shift in pre-admission cases from the inpatient and semi-inpatient hospital area into the outpatient area has to be noted, since these cases by law may no longer be billed as inpatient or semi-inpatient cases but only based on the outpatient remuneration structure. These services rendered on an outpatient basis are not being adequately remunerated. In addition, we continue to observe as a general rule that the remuneration of services rendered on an inpatient/semi-inpatient basis is not being adequately adjusted and that personnel and material expenses are only partially offset by refinanced revenues.

## Risks and opportunities

The adopted system of risk management as well as the individual corporate risks and rewards are described on pages 104 to 110 of the 2016 Annual Report. The statements made there essentially continue to apply without change. 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 addition to the ongoing conceptual and constructional modernisation of our sites, digitalisation will become an increasingly important issue. Use of digital technologies will considerably ease and optimise the process of treatment for patients. In financial year 2017, we will continue to vigorously pursue our activities in the area of digitalisation as well as our objective of achieving generalised, full-service medical and nursing care in rural regions.

Rural regions are especially hard hit by the greying of the population and the accompanying rise in morbidity and treatment cases and increasing shortage of doctors. Specifically, our campus approach is concerned with the logistical and spatial integration of outpatient and inpatient services in conjunction with the offer to community-based doctors to work together closely with the respective hospital. The campus approach combines numerous differentiated care offerings and services of different partners. Particularly inpatient and outpatient services are structurally, spatially and logistically integrated with one another on the premises of a high-performance hospital. By staking out a position in the premium medical care segment, we are creating the basis for helping our patients have access to unrestricted cutting-edge medical services also in future. Underlying all our activity in this context is the well-being of our patients who entrust themselves to our staff at our

hospitals and facilities and who are always the focus of our efforts.

In keeping with provision of the best possible nursing and care, it continues to be our objective to diagnose and treat our patients on the basis of the latest, scientifically founded therapy procedures with state-of-the-art medical technology. The well-being of the patient – which is the ethical basis of our activity and at the same time of our economic success – will continue to be our standard also in future. All patients coming to us can be assured that they will receive the best treatment at all times.

A sound and sustainable operative basis is the vital when it comes to our Company's ability to grow in future organically through medical innovations as well as through acquisitions whenever opportunities for this arise. In future also, sound organic and acquisition-based growth will be the main driver of the Group's development. Within the bounds set by legislation within the German healthcare system, organic growth is possible only to a limited extent. When acquiring facilities we continue to follow our dual strategy of "competence and reliability" as well as "quality before quantity".

Within our Group we will continue to consistently promote the exchange of knowledge between our facilities and sites. All our hospitals are to have access as quickly as possible to the latest scientific findings implemented in diagnosis and treatment procedures.

Also in financial year 2017, the economic basis of the RHÖN-KLINIKUM Group will be provided by its five large sites in four federal states counting some 5,400 beds and over 16,000 employees. That makes us one of the largest hospital operators in Germany.

For the current financial year 2017, we continue to expect revenues in the range of between € 1.20 billion and € 1.23 billion. In this context, the most recent regulatory measures are having a particularly heavy

impact, such as lower remuneration for cardiological and specialist orthopaedic services or the newly introduced fixed cost degression discount on surplus services.

For earnings before interest, tax and depreciation/amortisation (EBITDA), we expect a level of between € 85 million and € 105 million in 2017. This includes the negative effects in the low double-digit million range brought about by additional expenditures for the digital transformation of medical processes as well as one-off charges from the Group's

reorganisation. Moreover we currently expect the contract drafting of the agreement outcome on the separate accounting approach at UKGM to be finalized in the fourth quarter of 2017. If the separate accounting contract is legally ratified in full, we expect EBITDA to be in the upper half of the range.

Our outlook is of course subject to any regulatory measures impacting our remuneration structure during the remainder of the year.

Bad Neustadt a. d. Saale, 10 November 2017

RHÖN-KLINIKUM Aktiengesellschaft  
THE BOARD OF MANAGEMENT

Prof. Dr. Bernd Griewing

Stephan Holzinger

Dr. Dr. Martin Siebert

**CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENT**

**CONSOLIDATED INCOME STATEMENT AND CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME, JANUARY TO SEPTEMBER..... 15**

**CONSOLIDATED INCOME STATEMENT AND CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME, JULY TO SEPTEMBER ..... 16**

**CONSOLIDATED BALANCE SHEET AS AT 30 SEPTEMBER 2017 ..... 17**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY ..... 18**

**CONSOLIDATED STATEMENT OF CASH FLOWS..... 19**

**CONDENSED NOTES ..... 20**



## Consolidated Income Statement and Consolidated Statement of Comprehensive Income, January to September

| January to September  | 2017             |              | 2016             |              |
|---|------------------|--------------|------------------|--------------|
|   | € '000           | %            | € '000           | %            |
| Revenues  | 902,451          | 100.0        | 885,304          | 100.0        |
| Other income  | 111,832          | 12.4         | 151,114          | 17.1         |
|   | <b>1,014,283</b> | <b>112.4</b> | <b>1,036,418</b> | <b>117.1</b> |
| Materials and consumables used                              | 255,744          | 28.3         | 249,824          | 28.2         |
| Employee benefits expense                                   | 586,963          | 65.0         | 565,248          | 63.8         |
| Other expenses  | 93,971           | 10.5         | 89,811           | 10.2         |
|   | <b>936,678</b>   | <b>103.8</b> | <b>904,883</b>   | <b>102.2</b> |
| <b>Interim result (EBITDA)</b>                              | <b>77,605</b>    | <b>8.6</b>   | <b>131,535</b>   | <b>14.9</b>  |
| Depreciation/amortisation and impairment                    | 44,095           | 4.9          | 44,441           | 5.1          |
| <b>Operating result (EBIT)</b>                              | <b>33,510</b>    | <b>3.7</b>   | <b>87,094</b>    | <b>9.8</b>   |
| Result of investments accounted for using the equity method | -690             | -0.1         | -214             | 0.0          |
| Finance income  | 500              | 0.1          | 1,683            | 0.2          |
| Finance expenses  | 611              | 0.1          | 1,712            | 0.2          |
| <b>Finance result (net)</b>                                 | <b>801</b>       | <b>0.1</b>   | <b>243</b>       | <b>0.0</b>   |
| <b>Earnings before taxes (EBT)</b>                          | <b>32,709</b>    | <b>3.6</b>   | <b>86,851</b>    | <b>9.8</b>   |
| Income taxes  | 5,713            | 0.6          | 4,479            | 0.5          |
| <b>Consolidated profit</b>                                  | <b>26,996</b>    | <b>3.0</b>   | <b>82,372</b>    | <b>9.3</b>   |
| of which  |                  |              |                  |              |
| <b>non-controlling interests</b>                            | <b>1,426</b>     | <b>0.2</b>   | <b>1,913</b>     | <b>0.2</b>   |
| <b>shareholders of RHÖN-KLINIKUM AG</b>                     | <b>25,570</b>    | <b>2.8</b>   | <b>80,459</b>    | <b>9.1</b>   |
| <b>Earnings per share in €</b>                              |                  |              |                  |              |
| <b>undiluted</b>  | <b>0.38</b>      |              | <b>1.20</b>      |              |
| <b>diluted</b>  | <b>0.38</b>      |              | <b>1.20</b>      |              |

| January to September   | 2017          | 2016          |
|--|---------------|---------------|
|  | € '000        | € '000        |
| <b>Consolidated profit</b>   | <b>26,996</b> | <b>82,372</b> |
| of which   |               |               |
| non-controlling interests  | 1,426         | 1,913         |
| shareholders of RHÖN-KLINIKUM AG   | 25,570        | 80,459        |
| Revaluation of defined benefit pension plans   | 190           | - 227         |
| Income taxes   | -30           | 36            |
| <b>Other comprehensive income (revaluation of pension plans) not subsequently reclassified to income statement</b> | <b>160</b>    | <b>- 191</b>  |
| <b>Other comprehensive income<sup>1</sup></b>  | <b>160</b>    | <b>- 191</b>  |
| of which   |               |               |
| non-controlling interests  | -             | -             |
| shareholders of RHÖN-KLINIKUM AG   | 160           | - 191         |
| <b>Total comprehensive income</b>  | <b>27,156</b> | <b>82,181</b> |
| of which   |               |               |
| non-controlling interests  | 1,426         | 1,913         |
| shareholders of RHÖN-KLINIKUM AG   | 25,730        | 80,268        |

<sup>1</sup> Sum of value changes recognised at equity.

## Consolidated Income Statement and Consolidated Statement of Comprehensive Income, July to September

| July to September   | 2017           |              | 2016           |              |
|---|----------------|--------------|----------------|--------------|
|   | € '000         | %            | € '000         | %            |
| Revenues  | 304,011        | 100.0        | 294,714        | 100.0        |
| Other income  | 36,828         | 12.1         | 36,560         | 12.4         |
|   | <b>340,839</b> | <b>112.1</b> | <b>331,274</b> | <b>112.4</b> |
| Materials and consumables used                              | 86,567         | 28.5         | 84,335         | 28.6         |
| Employee benefits expense                                   | 195,428        | 64.3         | 187,898        | 63.8         |
| Other expenses  | 31,433         | 10.3         | 30,911         | 10.5         |
|   | <b>313,428</b> | <b>103.1</b> | <b>303,144</b> | <b>102.9</b> |
| <b>Interim result (EBITDA)</b>                              | <b>27,411</b>  | <b>9.0</b>   | <b>28,130</b>  | <b>9.5</b>   |
| Depreciation/amortisation and impairment                    | 14,806         | 4.9          | 14,958         | 5.0          |
| <b>Operating result (EBIT)</b>                              | <b>12,605</b>  | <b>4.1</b>   | <b>13,172</b>  | <b>4.5</b>   |
| Result of investments accounted for using the equity method | -119           | 0.0          | -109           | 0.0          |
| Finance income  | 115            | 0.0          | 458            | 0.1          |
| Finance expenses  | 197            | 0.0          | 221            | 0.1          |
| <b>Finance result (net)</b>                                 | <b>201</b>     | <b>0.0</b>   | <b>-128</b>    | <b>0.0</b>   |
| <b>Earnings before taxes (EBT)</b>                          | <b>12,404</b>  | <b>4.1</b>   | <b>13,300</b>  | <b>4.5</b>   |
| Income taxes  | 2,355          | 0.8          | 484            | 0.2          |
| <b>Consolidated profit</b>                                  | <b>10,049</b>  | <b>3.3</b>   | <b>12,816</b>  | <b>4.3</b>   |
| of which  |                |              |                |              |
| <b>non-controlling interests</b>                            | <b>461</b>     | <b>0.1</b>   | <b>476</b>     | <b>0.1</b>   |
| <b>shareholders of RHÖN-KLINIKUM AG</b>                     | <b>9,588</b>   | <b>3.2</b>   | <b>12,340</b>  | <b>4.2</b>   |
| <b>Earnings per share in €</b>                              |                |              |                |              |
| <b>undiluted</b>  | <b>0.14</b>    |              | <b>0.18</b>    |              |
| <b>diluted</b>  | <b>0.14</b>    |              | <b>0.18</b>    |              |

| July to September  | 2017          | 2016          |
|--|---------------|---------------|
|  | € '000        | € '000        |
| <b>Consolidated profit</b>   | <b>10,049</b> | <b>12,816</b> |
| of which   |               |               |
| non-controlling interests  | 461           | 476           |
| shareholders of RHÖN-KLINIKUM AG   | 9,588         | 12,340        |
| Revaluation of defined benefit pension plans   | 6             | -77           |
| Income taxes   | -1            | 12            |
| <b>Other comprehensive income (revaluation of pension plans) not subsequently reclassified to income statement</b> | <b>5</b>      | <b>-65</b>    |
| <b>Other comprehensive income<sup>1</sup></b>  | <b>5</b>      | <b>-65</b>    |
| of which   |               |               |
| non-controlling interests  | -             | -             |
| shareholders of RHÖN-KLINIKUM AG   | 5             | -65           |
| <b>Total comprehensive income</b>  | <b>10,054</b> | <b>12,751</b> |
| of which   |               |               |
| non-controlling interests  | 461           | 476           |
| shareholders of RHÖN-KLINIKUM AG   | 9,593         | 12,275        |

<sup>1</sup> Sum of value changes recognised at equity.

## Consolidated Balance Sheet as at 30 September 2017

|   | 30 Sept. 2017    |              | 31 Dec. 2016     |              |
|---|------------------|--------------|------------------|--------------|
|   | € '000           | %            | € '000           | %            |
| <b>ASSETS</b>                                     |                  |              |                  |              |
| <b>Non-current assets</b>                         |                  |              |                  |              |
| Goodwill and other intangible assets              | 174,235          | 12.0         | 173,119          | 11.9         |
| Property, plant and equipment                     | 726,624          | 49.9         | 701,010          | 48.1         |
| Investment property                               | 2,666            | 0.2          | 2,772            | 0.2          |
| Investments accounted for using the equity method | 627              | 0.0          | 864              | 0.1          |
| Deferred tax assets                               | 3,110            | 0.2          | 5,700            | 0.4          |
| Other financial assets                            | 10,153           | 0.7          | 52,670           | 3.6          |
|   | <b>917,415</b>   | <b>63.0</b>  | <b>936,135</b>   | <b>64.3</b>  |
| <b>Current assets</b>                             |                  |              |                  |              |
| Inventories                                       | 24,093           | 1.6          | 24,816           | 1.7          |
| Trade receivables                                 | 211,235          | 14.5         | 190,855          | 13.1         |
| Other financial assets                            | 160,128          | 11.0         | 210,041          | 14.4         |
| Other assets                                      | 15,524           | 1.1          | 8,482            | 0.6          |
| Current income tax assets                         | 929              | 0.1          | 5,102            | 0.4          |
| Cash and cash equivalents                         | 126,874          | 8.7          | 80,814           | 5.5          |
|   | <b>538,783</b>   | <b>37.0</b>  | <b>520,110</b>   | <b>35.7</b>  |
|   | <b>1,456,198</b> | <b>100.0</b> | <b>1,456,245</b> | <b>100.0</b> |

|   | 30 Sept. 2017    |              | 31 Dec. 2016     |              |
|---|------------------|--------------|------------------|--------------|
|   | € '000           | %            | € '000           | %            |
| <b>EQUITY AND LIABILITIES</b>                           |                  |              |                  |              |
| <b>Equity</b>   |                  |              |                  |              |
| Issued share capital                                    | 167,406          | 11.5         | 167,406          | 11.5         |
| Capital reserve   | 574,168          | 39.4         | 574,168          | 39.4         |
| Other reserves  | 351,358          | 24.1         | 349,057          | 24.0         |
| Treasury shares   | -76              | 0.0          | -76              | 0.0          |
| Equity attributable to shareholders of RHÖN-KLINIKUM AG | 1,092,856        | 75.0         | 1,090,555        | 74.9         |
| Non-controlling interests in equity                     | 22,795           | 1.6          | 22,828           | 1.6          |
|   | <b>1,115,651</b> | <b>76.6</b>  | <b>1,113,383</b> | <b>76.5</b>  |
| <b>Non-current liabilities</b>                          |                  |              |                  |              |
| Provisions for post-employment benefits                 | 2,239            | 0.1          | 2,247            | 0.1          |
| Other financial liabilities                             | 17,104           | 1.2          | 16,310           | 1.1          |
| Other liabilities                                       | 7,269            | 0.5          | 6,903            | 0.5          |
|   | <b>26,612</b>    | <b>1.8</b>   | <b>25,460</b>    | <b>1.7</b>   |
| <b>Current liabilities</b>                              |                  |              |                  |              |
| Financial liabilities                                   | -                | -            | 10,000           | 0.7          |
| Trade payables  | 89,549           | 6.1          | 94,830           | 6.5          |
| Current income tax liabilities                          | 304              | 0.0          | 1,715            | 0.1          |
| Other provisions  | 94,575           | 6.5          | 95,831           | 6.6          |
| Other financial liabilities                             | 21,450           | 1.5          | 19,223           | 1.3          |
| Other liabilities                                       | 108,057          | 7.5          | 95,803           | 6.6          |
|   | <b>313,935</b>   | <b>21.6</b>  | <b>317,402</b>   | <b>21.8</b>  |
|   | <b>1,456,198</b> | <b>100.0</b> | <b>1,456,245</b> | <b>100.0</b> |

## Consolidated Statement of Changes in Equity

|                                       | Issued<br>share<br>capital | Capital<br>reserve | Retained<br>earnings | Treasury<br>shares | Equity<br>attributable<br>to shareholders-<br>of RHÖN-<br>KLINIKUM AG | Non-controlling<br>interests in<br>equity <sup>1</sup> | Equity           |
|---------------------------------------|----------------------------|--------------------|----------------------|--------------------|---|--|------------------|
|                                       | € '000                     | € '000             | € '000               | € '000             | € '000  | € '000   | € '000           |
| <b>As at 31 Dec. 2015/1 Jan. 2016</b> | <b>167,406</b>             | <b>574,168</b>     | <b>346,466</b>       | <b>-76</b>         | <b>1,087,964</b>  | <b>20,749</b>  | <b>1,108,713</b> |
| Equity transactions with owners       |                            |                    |                      |                    |   |  |                  |
| Dividend payments                     | -                          | -                  | -53,550              | -                  | -53,550   | -126   | -53,676          |
| Consolidated profit                   | -                          | -                  | 80,459               | -                  | 80,459  | 1,913  | 82,372           |
| Other comprehensive income            | -                          | -                  | -191                 | -                  | -191  | -  | -191             |
| Other changes                         |                            |                    |                      |                    |   |  |                  |
| Changes in consolidated<br>companies  | -                          | -                  | -                    | -                  | -   | -  | -                |
| <b>As at 30 September 2016</b>        | <b>167,406</b>             | <b>574,168</b>     | <b>373,184</b>       | <b>-76</b>         | <b>1,114,682</b>  | <b>22,536</b>  | <b>1,137,218</b> |
| <b>As at 31 Dec. 2016/1 Jan. 2017</b> | <b>167,406</b>             | <b>574,168</b>     | <b>349,057</b>       | <b>-76</b>         | <b>1,090,555</b>  | <b>22,828</b>  | <b>1,113,383</b> |
| Equity transactions with owners       |                            |                    |                      |                    |   |  |                  |
| Dividend payments                     | -                          | -                  | -23,429              | -                  | -23,429   | -1,459   | -24,888          |
| Consolidated profit                   | -                          | -                  | 25,570               | -                  | 25,570  | 1,426  | 26,996           |
| Other comprehensive income            | -                          | -                  | 160                  | -                  | 160   | -  | 160              |
| Other changes                         |                            |                    |                      |                    |   |  |                  |
| Changes in consolidated<br>companies  | -                          | -                  | -                    | -                  | -   | -  | -                |
| <b>As at 30 September 2017</b>        | <b>167,406</b>             | <b>574,168</b>     | <b>351,358</b>       | <b>-76</b>         | <b>1,092,856</b>  | <b>22,795</b>  | <b>1,115,651</b> |

<sup>1</sup> Including other comprehensive income (OCI).

## Consolidated Statement of Cash Flows

| January to September  | 2017         | 2016          |
|---|--------------|---------------|
|   | € m          | € m           |
| Earnings before taxes   | 32.7         | 86.9          |
| Finance result (net)  | 0.8          | 0.2           |
| Depreciation/amortisation and impairment and gains/losses on disposal of assets                             | 44.0         | 44.3          |
|   | <b>77.5</b>  | <b>131.4</b>  |
| <b>Change in net current assets</b>   |              |               |
| Change in inventories   | 0.7          | 2.3           |
| Change in trade receivables   | -20.4        | -19.0         |
| Change in other financial assets and other assets   | -12.0        | 14.6          |
| Change in trade payables  | -6.7         | -5.2          |
| Change in other net liabilities/other non-cash transactions   | 15.9         | 14.9          |
| Change in provisions  | -1.1         | -40.4         |
| Income taxes paid   | -0.9         | -0.2          |
| Interest paid   | -0.6         | -6.2          |
| <b>Cash generated from operating activities</b>   | <b>52.4</b>  | <b>92.2</b>   |
| Investments in property, plant and equipment and in intangible assets                                       | -76.1        | -75.8         |
| Government grants received to finance investments in property, plant and equipment and in intangible assets | 7.8          | 6.2           |
| Change in investments in fixed term deposits  | 100.0        | 119.8         |
| Investments in financial assets   | -3.0         | -10.2         |
| Acquisition of subsidiaries, net of cash acquired   | -1.2         | 0.6           |
| Sale proceeds from disposal of assets   | 0.3          | 0.2           |
| Interest received   | 0.5          | 1.7           |
| <b>Cash generated from investing activities</b>   | <b>28.3</b>  | <b>42.5</b>   |
| Repayment of financial liabilities  | -10.0        | -143.2        |
| Dividend payments to shareholders of RHÖN-KLINIKUM AG   | -23.4        | -53.6         |
| Payments from finance leases  | 0.3          | -0.4          |
| Payments to non-controlling interests in equity   | -1.5         | -0.1          |
| <b>Cash used in financing activities</b>  | <b>-34.6</b> | <b>-197.3</b> |
| Change in cash and cash equivalents   | 46.1         | -62.6         |
| Cash and cash equivalents at 1 January  | 80.8         | 143.3         |
| <b>Cash and cash equivalents at 30 September</b>  | <b>126.9</b> | <b>80.7</b>   |

## Condensed Notes

### GENERAL INFORMATION

RHÖN-KLINIKUM AG and its subsidiaries build, acquire and operate primarily acute-care hospitals of all categories, with the focus being on cutting-edge medicine oriented towards maximum care with a direct tie-in to universities and research facilities. At some sites, rehabilitation services are also offered for selected medical disciplines to complement existing acute inpatient offerings. Moreover, outpatient structures in the form of medical care centres are also being expanded. We provide our services exclusively in Germany.

The Company is a stock corporation established under German law and has been listed on the stock market (SDAX®) since 1989. The registered office of the Company is in Bad Neustadt a.d. Saale, Salzburger Leite 1, Germany. The Company is entered in the Commercial Register of the Register Court of Schweinfurt under HRB 1670.

The Interim Consolidated Financial Statements will be published on 10 November 2017 on the website of RHÖN-KLINIKUM AG as well as with Deutsche Börse.

### ACCOUNTING POLICIES

The Interim Consolidated Financial Statements of RHÖN-KLINIKUM AG as at 30 September 2017 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 were observed in the preparation of this Group Interim Report of the Management.

The same accounting, valuation and calculation methods as already adopted by the European Union were applied in the Interim Consolidated Financial Statements as in the Consolidated Financial Statements for the financial year ending on 31 December 2016. Standards and Interpretations exceeding such scope were not endorsed by the European Union in the first nine month of 2017.

IFRS 9, Financial Instruments, published by the IASB in July 2014, will essentially replace IAS 39 with effect from the initial adoption date of 1 January 2018. The Standard contains statements on the classification and measurements of financial instruments (Phase 1), on accounting for impairments of financial assets (Phase 2) as well as on hedge accounting (Phase 3). The principal part of non-derivative financial assets, pursuant to IAS 39, is currently measured at amortised cost. Even though the analysis with regard to the business model and the fulfilment of the cash flow criterion is still under way, RHÖN-KLINIKUM AG does not expect the new aspects of Phase 1, based on the current stage of the analysis, to result in any material changes. There have been no significant changes in the requirements to be met by the classification and measurement of non-derivative financial liabilities. Phase 2 deals with the subject of impairment of financial assets. RHÖN-KLINIKUM AG currently continues to analyse the impact of the changed impairment model particularly with regard to trade

receivables and other financial assets. RHÖN-KLINIKUM AG at this point in time does not expect this to result in any material impact on the consolidated financial statements. Phase 3 deals with provisions on hedge accounting. RHÖN-KLINIKUM AG currently does not use any hedging relationships and does not intend to do so in the near future either.

In May 2014, the IASB published IFRS 15, Revenues from Contracts with Customers. In IFRS 15 it is provided when and in what amount a company applying IFRS accounting rules is required to recognise revenues. The Standard also aims to provide the users of financial statements with more informative and more relevant disclosures than has previously been the case. Based on what has been learned so far, RHÖN-KLINIKUM AG at this point in time does not expect any material changes compared with existing accounting policies.

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 AG with its registered office in Bad Neustadt a. d. Saale. The consolidated companies are as follows:

|  | 31 Dec. 2016 | Additions | Disposals | 30 Sept. 2017 |
|--|--------------|-----------|-----------|---------------|
| Fully consolidated subsidiaries                | 28           | -         | -         | 28            |
| Companies consolidated using the equity method | 3            | -         | -         | 3             |
| Other subsidiaries                             | 8            | 1         | -         | 9             |
| <b>Consolidated companies</b>                  | <b>39</b>    | <b>1</b>  | <b>-</b>  | <b>40</b>     |

Other entities are companies whose individual or overall impact on the net assets and results of operations is not material and/or over which we cannot exert any material influence over financial and business policy decisions. They are included in the consolidated financial statements at the lower of cost or fair value.

The added entity (Other subsidiaries) relates to the acquisition of an interest in Intensix Inc. with its legal headquarters in Delaware (USA) and location in Netanya (Israel). The interest of 14.8% was acquired by RHÖN-Innovations GmbH whose objective is to take out equity interests in start-ups within the medical sector in a targeted investment and risk strategy. In the third quarter of 2017, we acquired further interests in Inovytec Medical Solutions Ltd. after achieving the contractually agreed milestones. RHÖN-Innovations GmbH now holds an interest of 11.8% in the company.

Intensix focuses on big data analysis in the treatment of patients on the intensive care ward. Intensix is developing a learning system aimed at identifying trends in the development of a patient's health from currently measurable data in combination with historical data records, thus providing medical staff on the intensive care ward, in the event of complications, with signals for taking therapeutic countermeasures earlier. This makes it possible not only to optimise decision making processes and treatment excellence but also to reduce durations of stay on the intensive care ward. The software is still in the beta phase; the first retrospective studies have been concluded successfully. Currently, further clinical studies are under way.

Moreover, we increased our interest in RK Reinigungsgesellschaft Nordost mbH, Bad Neustadt a.d. Saale, to 100% in the third quarter of 2017. The company serves as a shelf company and no longer has any operative business. The acquisition did not give rise to any goodwill.

### Company acquisitions

As at 1 January, 1 April and 1 July of financial year 2017, respectively, one doctor's practice was acquired in each case whose conditions of validity as per agreement were satisfied during the reporting period of 2017:

| Purchase of doctor's practices, January to September 2017 | Fair value post acquisition<br>€ m |
|---|------------------------------------|
| <b>Acquired assets and liabilities</b>                    |                                    |
| Intangible assets   | 0.0                                |
| Property, plant and equipment                             | 0.3                                |
| <b>Net assets acquired</b>                                | <b>0.3</b>                         |
| + Goodwill  | 0.9                                |
| <b>Cost</b>   | <b>1.2</b>                         |
| ./. Purchase price payments outstanding                   | 0.0                                |
| ./. Acquired cash and cash equivalents                    | 0.0                                |
| <b>Cash outflow on transaction</b>                        | <b>1.2</b>                         |

Goodwill amounting to € 0.9 million essentially includes synergy effects expected from the expansion of medical care centres. The goodwill recognised is likely to be tax-deductible.

Moreover, we were awarded 2.50 doctor's practices from the Association of Accredited Physicians (KV), and at the same time returned 0.75 doctor's practices to the KV. This did not incur any costs.

In financial year 2017, no further doctor's practices were acquired whose conditions of validity as per agreement will be satisfied only after 1 October 2017.

## OPERATING SEGMENTS

Within the Group of RHÖN-KLINIKUM AG, cross-sector healthcare services are provided in the inpatient, semi-inpatient and outpatient area. The Group's hospitals are operated in the legal form of 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 Group.

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 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 to September     | 2017<br>€ m  | 2016<br>€ m  |
|--------------------------|--------------|--------------|
| <b>Fields</b>            |              |              |
| Acute hospitals          | 874.3        | 857.2        |
| Medical care centres     | 8.8          | 8.1          |
| Rehabilitation hospitals | 19.4         | 20.0         |
|                          | <b>902.5</b> | <b>885.3</b> |
| <b>Federal states</b>    |              |              |
| Bavaria                  | 194.5        | 190.9        |
| Saxony                   | 0.2          | 0.2          |
| Thuringia                | 125.5        | 130.7        |
| Brandenburg              | 101.9        | 101.4        |
| Hesse                    | 480.4        | 462.1        |
|                          | <b>902.5</b> | <b>885.3</b> |

According to IAS 18, revenues constitute revenues generated from the provision of services and rose compared with the same period last year by € 17.2 million or 1.9% to reach € 902.5 million.

### Other income

| January to September                                      | 2017<br>€ m  | 2016<br>€ m  |
|---|--------------|--------------|
| Income from services rendered                             | 96.4         | 93.7         |
| Income from grants and other allowances                   | 8.3          | 8.7          |
| Income from adjustment of receivables                     | 0.7          | 0.8          |
| Income from indemnification payments/Other reimbursements | 0.2          | 1.0          |
| Other   | 6.2          | 46.9         |
|   | <b>111.8</b> | <b>151.1</b> |

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 expenses in connection with publicly financed measures (e.g. costs of personnel and materials for research and teaching, benefits under German legislation governing maternity leave, and for other subsidised measures).

Compared with the same period last year, the other income item witnessed a decline of € 39.3 million or 26.0% to € 111.8 million. The decline is attributable to the income recognised with earnings increasing effect during the same period last year resulting from the reversal of provisions for potential legal and tax warranty risks in the amount of € 41.4 million.

### Employee benefits expense

Compared with the same period last year, the employee benefits expense item in the first nine months of financial year 2017 rose by € 21.7 million or 3.8% to reach € 587.0 million. This figure includes one-off expenditures from changes in the Board of Management in the low single-digit million range.

## Other expenses

| January to September                                 | 2017        | 2016        |
|--|-------------|-------------|
|  | € m         | € m         |
| Maintenance  | 35.3        | 34.3        |
| Charges, subscriptions and consulting fees           | 18.6        | 17.5        |
| Insurance  | 8.3         | 6.8         |
| Administrative and IT costs                          | 7.2         | 6.9         |
| Impairment on receivables                            | 8.2         | 6.1         |
| Rents and leaseholds                                 | 4.4         | 4.8         |
| Other personnel and continuing training costs        | 3.2         | 3.3         |
| Travelling, entertaining and representation expenses | 1.5         | 1.4         |
| Secondary taxes                                      | 0.2         | 0.4         |
| Losses on disposal of non-current assets             | 0.1         | 0.1         |
| Other  | 7.0         | 8.2         |
|  | <b>94.0</b> | <b>89.8</b> |

Compared with the same period last year, other expenditures in the first nine months of 2017 witnessed a rise of € 4.2 million or 4.7% to reach € 94.0 million. The rise is attributable among other things to depreciation on receivables resulting from the continuing increasing inspection activity of the Medical Review Board of the Statutory Health Insurance Funds (MDK) and the related restrictive and staggered payment mode of payers.

## Depreciation/amortisation and impairment

Compared with the same period last year, the depreciation/amortisation item declined slightly by € 0.3 million or 0.7% from € 44.4 million to € 44.1 million.

## Finance result (net)

Compared with the same period last year, we recorded a rise in the negative financial result by € 0.6 million to € 0.8 million (previous year: € 0.2 million) in the first nine months of financial year 2017. The rise stems in particular from higher loss shares in companies consolidated using the equity method recognised under this item in the first nine months of 2017. Moreover, we recorded a decline both in finance expenses following the repayment of our bond in the first quarter of 2016 and in finance income resulting from the lower investment volume in the first nine months of financial year 2017, as well as from a further decline in interest rates.

## Income taxes

| January to September | 2017       | 2016       |
|----------------------|------------|------------|
|                      | € m        | € m        |
| Current income taxes | 3.1        | 3.6        |
| Deferred taxes       | 2.6        | 0.9        |
|                      | <b>5.7</b> | <b>4.5</b> |

The income tax expense item rose by € 1.2 million to € 5.7 million (previous year: € 4.5 million) compared with same period of the previous year as a result of a higher taxable result.

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 INTERIM CONSOLIDATED BALANCE SHEET

### Goodwill and other intangible assets

|  | Goodwill<br>€ m | Other intangible assets<br>€ m | Total<br>€ m |
|--|-----------------|--------------------------------|--------------|
| <b>Cost</b>  |                 |                                |              |
| <b>1 January 2017</b>                              | <b>162.4</b>    | <b>37.1</b>                    | <b>199.5</b> |
| Additions due to changes in consolidated companies | 0.9             | 0.0                            | 0.9          |
| Additions  | 0.0             | 1.9                            | 1.9          |
| Disposals  | 0.0             | 0.0                            | 0.0          |
| Transfers  | 0.0             | 0.0                            | 0.0          |
| <b>30 September 2017</b>                           | <b>163.3</b>    | <b>39.0</b>                    | <b>202.3</b> |
| <b>Cumulative depreciation and impairment</b>      |                 |                                |              |
| <b>1 January 2017</b>                              | <b>0.0</b>      | <b>26.4</b>                    | <b>26.4</b>  |
| Depreciation                                       | 0.0             | 1.7                            | 1.7          |
| Disposals  | 0.0             | 0.0                            | 0.0          |
| <b>30 September 2017</b>                           | <b>0.0</b>      | <b>28.1</b>                    | <b>28.1</b>  |
| <b>Balance sheet value as at 30 September 2017</b> | <b>163.3</b>    | <b>10.9</b>                    | <b>174.2</b> |

|  | Goodwill<br>€ m | Other intangible assets<br>€ m | Total<br>€ m |
|--|-----------------|--------------------------------|--------------|
| <b>Cost</b>  |                 |                                |              |
| <b>1 January 2016</b>                              | <b>157.2</b>    | <b>33.7</b>                    | <b>190.9</b> |
| Additions due to changes in consolidated companies | 5.5             | 0.1                            | 5.6          |
| Additions  | 0.0             | 1.4                            | 1.4          |
| Disposals  | 0.0             | 0.1                            | 0.1          |
| Transfers  | 0.0             | 0.1                            | 0.1          |
| <b>30 September 2016</b>                           | <b>162.7</b>    | <b>35.2</b>                    | <b>197.9</b> |
| <b>Cumulative depreciation and impairment</b>      |                 |                                |              |
| <b>1 January 2016</b>                              | <b>0.0</b>      | <b>24.4</b>                    | <b>24.4</b>  |
| Depreciation                                       | 0.0             | 1.6                            | 1.6          |
| Disposals  | 0.0             | 0.1                            | 0.1          |
| <b>30 September 2016</b>                           | <b>0.0</b>      | <b>25.9</b>                    | <b>25.9</b>  |
| <b>Balance sheet value at 30 September 2016</b>    | <b>162.7</b>    | <b>9.3</b>                     | <b>172.0</b> |

## Property, plant and equipment

|  | Land and<br>buildings<br>€ m | Technical<br>plant and<br>equipment<br>€ m | Operating and<br>business<br>equipment<br>€ m | Plant under<br>construction<br>€ m | Total<br>€ m   |
|--|------------------------------|--|---|------------------------------------|----------------|
| <b>Cost</b>  |                              |  |   |                                    |                |
| <b>1 January 2017</b>                              | <b>955.8</b>                 | <b>46.6</b>                                | <b>292.0</b>                                  | <b>50.9</b>                        | <b>1,345.3</b> |
| Additions due to changes in consolidated companies | 0.2                          | 0.0  | 0.1   | 0.0                                | 0.3            |
| Additions  | 2.1                          | 1.5  | 15.4  | 48.8                               | 67.8           |
| Disposals  | 12.7                         | 0.0  | 9.5   | 0.0                                | 22.2           |
| Transfers  | 0.8                          | 1.1  | 0.5   | -2.4                               | 0.0            |
| <b>30 September 2017</b>                           | <b>946.2</b>                 | <b>49.2</b>                                | <b>298.5</b>                                  | <b>97.3</b>                        | <b>1,391.2</b> |
| <b>Cumulative depreciation<br/>and impairment</b>  |                              |  |   |                                    |                |
| <b>1 January 2017</b>                              | <b>398.8</b>                 | <b>29.6</b>                                | <b>215.9</b>                                  | <b>0.0</b>                         | <b>644.3</b>   |
| Depreciation                                       | 22.8                         | 2.5  | 17.0  | 0.0                                | 42.3           |
| Disposals  | 12.7                         | 0.0  | 9.3   | 0.0                                | 22.0           |
| <b>30 September 2017</b>                           | <b>408.9</b>                 | <b>32.1</b>                                | <b>223.6</b>                                  | <b>0.0</b>                         | <b>664.6</b>   |
| <b>Balance sheet value as at 30 September 2017</b> | <b>537.3</b>                 | <b>17.1</b>                                | <b>74.9</b>                                   | <b>97.3</b>                        | <b>726.6</b>   |

|  | Land and<br>buildings<br>€ m | Technical<br>plant and<br>equipment<br>€ m | Operating and<br>business<br>equipment<br>€ m | Plant under<br>construction<br>€ m | Total<br>€ m   |
|--|------------------------------|--|---|------------------------------------|----------------|
| <b>Cost</b>  |                              |  |   |                                    |                |
| <b>1 January 2017</b>                              | <b>893.8</b>                 | <b>43.4</b>                                | <b>272.8</b>                                  | <b>57.0</b>                        | <b>1,267.0</b> |
| Additions due to changes in consolidated companies | 0.0                          | 0.0  | 0.8   | 0.0                                | 0.8            |
| Additions  | 16.7                         | 0.9  | 15.5  | 33.3                               | 66.4           |
| Disposals  | 0.0                          | 0.0  | 11.0  | 0.0                                | 11.0           |
| Transfers  | 16.9                         | 0.5  | 5.6   | -23.1                              | -0.1           |
| <b>30 September 2016</b>                           | <b>927.4</b>                 | <b>44.8</b>                                | <b>283.7</b>                                  | <b>67.2</b>                        | <b>1,323.1</b> |
| <b>Cumulative depreciation<br/>and impairment</b>  |                              |  |   |                                    |                |
| <b>1 January 2017</b>                              | <b>368.0</b>                 | <b>26.6</b>                                | <b>203.9</b>                                  | <b>0.0</b>                         | <b>598.5</b>   |
| Depreciation                                       | 22.9                         | 2.2  | 17.6  | 0.0                                | 42.7           |
| Disposals  | 0.0                          | 0.0  | 10.9  | 0.0                                | 10.9           |
| <b>30 September 2016</b>                           | <b>390.9</b>                 | <b>28.8</b>                                | <b>210.6</b>                                  | <b>0.0</b>                         | <b>630.3</b>   |
| <b>Balance sheet value as at 30 September 2016</b> | <b>536.5</b>                 | <b>16.0</b>                                | <b>73.1</b>                                   | <b>67.2</b>                        | <b>692.8</b>   |

### **Other financial assets (non-current)**

Of other financial assets (non-current), € 5.0 million (31 December 2016: € 50.1 million) is attributable to fixed deposit investments having a residual term of > 1 year and € 5.2 million (31 December 2016: € 2.6 million) to equity investments recognised under this item. These relate to equity investments of the company founded in early 2016, RHÖN-Innovations GmbH, in the companies Inovytec Medical Solutions Ltd., Telesofia Medical Ltd. and Intensix Inc.. The interests are measured at fair value in accordance with IAS 39. Moreover, € 0.0 million (31 December 2016: € 0.0 million) relates to equity interests whose market value cannot be calculated due to the absence of an active market. These are measured at cost.

### **Other financial assets (current)**

As a result of current financing requirements in the context of the extensive investment measures, freely disposable funds are for the most part invested in the short term. Fixed deposit investments in the form of overnight and short-term deposits with a remaining term of < 1 year were made in the amount of € 130.1 million (31 December 2016: € 185.1 million).

### **Equity**

The rise in equity capital by € 2.3 million compared with the balance sheet date of 31 December 2016 results from distributions to the shareholders of RHÖN-KLINIKUM AG (€ 23.4 million) and from distributions to non-controlling interests in profit (€ 1.4 million). This compares with consolidated profit of the first nine months of 2017 in the amount of € 27.0 million as well as gains from the revaluation of defined benefit pension plans in the amount of € 0.1 million.

### **Financial liabilities**

In financial year 2014, RHÖN-KLINIKUM AG redeemed all non-current financial liabilities to banks with the exception of one bank loan. This fixed interest rate bullet loan in the amount of € 10.0 million (31 December 2016: € 10.0 million) was repaid in August 2017.

In the context of the favourable interest rate environment, RHÖN-KLINIKUM AG at the beginning of October 2017 entered into a syndicated line of credit for € 100.0 million with a term of five years to hedge the planned medium-term investment requirement.

## 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<br>according to IAS 39                                       | 30 Sept. 2017 | Of which              |            | 31 Dec. 2016 | Of which              |            |
|---|---------------|-----------------------|------------|--------------|-----------------------|------------|
|   |               | financial instruments |            |              | financial instruments |            |
|   |               | Carrying amount       | Fair value |              | Carrying amount       | Fair value |
|   | € m           | € m                   | € m        | € m          | € m                   | € m        |
| <b>ASSETS</b>   |               |                       |            |              |                       |            |
| <b>Non-current assets</b>   |               |                       |            |              |                       |            |
| Other financial assets  | 10.2          | 10.2                  | 10.2       | 52.7         | 52.7                  | 52.7       |
| of which investments  | 5.2           | 5.2                   | 5.2        | 2.6          | 2.6                   | 2.6        |
| of which other  | 5.0           | 5.0                   | 5.0        | 50.1         | 50.1                  | 50.1       |
| <b>Current assets</b>   |               |                       |            |              |                       |            |
| Trade receivables and other financial assets                                      | 371.4         | 371.4                 | 371.4      | 400.9        | 400.9                 | 400.9      |
| of which trade receivables, other financial assets                                | 371.4         | 371.4                 | 371.4      | 400.9        | 400.9                 | 400.9      |
| Cash and cash equivalents   | 126.9         | 126.9                 | 126.9      | 80.8         | 80.8                  | 80.8       |
| <b>EQUITY AND LIABILITIES</b>   |               |                       |            |              |                       |            |
| <b>Non-current liabilities</b>  |               |                       |            |              |                       |            |
| Other financial liabilities   | 17.1          | 17.1                  | 18.4       | 16.3         | 16.3                  | 18.4       |
| of which other financial liabilities  | 14.0          | 14.0                  | 15.3       | 13.4         | 13.4                  | 15.5       |
| of which under finance leases   | 3.1           | 3.1                   | 3.1        | 2.9          | 2.9                   | 2.9        |
| <b>Current liabilities</b>  |               |                       |            |              |                       |            |
| Trade payables  | 89.5          | 89.5                  | 89.5       | 94.8         | 94.8                  | 94.8       |
| Financial liabilities   | 0.0           | 0.0                   | 0.0        | 10.0         | 10.0                  | 10.0       |
| of which financial liabilities  | 0.0           | 0.0                   | 0.0        | 10.0         | 10.0                  | 10.0       |
| Other financial liabilities   | 21.5          | 21.5                  | 21.5       | 19.2         | 19.2                  | 19.2       |
| of which other financial liabilities  | 20.4          | 20.4                  | 20.4       | 18.1         | 18.1                  | 18.1       |
| of which under finance leases   | 1.1           | 1.1                   | 1.1        | 1.1          | 1.1                   | 1.1        |
| Aggregated according to measurement categories, the above figures are as follows: |               |                       |            |              |                       |            |
|   |               | 503.3                 | 503.3      |              | 531.8                 | 531.8      |
|   |               |                       |            |              |                       |            |
|   |               |                       | 5.2        | 5.2          | 2.6                   | 2.6        |
|   |               | 123.9                 | 125.2      |              | 136.3                 | 138.4      |

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

|  | Level 1<br>€ m | Level 2<br>€ m | Level 3<br>€ m | Total<br>€ m | 31 Dec. 2016<br>€ m |
|--|----------------|----------------|----------------|--------------|---------------------|
| Non-current assets available for sale                    | -              | 5.2            | -              | 5.2          | 2.6                 |
| Non-current assets from loans and receivables            | -              | 5.0            | -              | 5.0          | 50.1                |
| Current assets from loans and receivables                | -              | 371.4          | -              | 371.4        | 400.9               |
| Non-current liabilities from other financial liabilities | -              | 18.4           | -              | 18.4         | 18.4                |
| Current liabilities from trade payables                  | -              | 89.5           | -              | 89.5         | 94.8                |
| Current financial liabilities                            | -              | -              | -              | 0.0          | 10.0                |
| Current liabilities from other financial liabilities     | -              | 21.5           | -              | 21.5         | 19.2                |

The levels of the fair value hierarchy and their application to 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 giving due regard to the credit risk.

Of the other financial assets (non-current), € 5.2 million (31 December 2016: € 2.6 million) are attributable to the newly acquired start-up equity interests whose fair value is calculated on the basis of discounted cash flow. A risk- and maturity-related rate appropriate for RHÖN-KLINIKUM AG has been used for discounting purposes. The change in non-current assets from loans results from the termination of fixed deposit investments.

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 balance sheet date therefore correspond to their fair values. The change per 31 December 2016 essentially results from the termination of fixed deposit investments.

The fair value of non-current other financial liabilities is 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 to be classified to Level 2 of the fair value hierarchy on the basis of the input factors.

For trade payables, other financial obligations and 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

During the period of 1 January 2017 up to and including 30 September 2017, we have received the following notifications from shareholders that 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.

| Voting interest on date that interest exceeds/falls below threshold |              |                 |              |                      |  |   |   |
|---|--------------|-----------------|--------------|----------------------|--|---|---|
| Person subject to notification requirement                          | 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/additional information: |
| Eugen Münch   | 1 March 2017 | 6.9400          | 4.59         | 11.53                | 23 August 2016                                       | >10%  | attributed (section 22 WpHG): HCM SE  |
| Asklepios Kliniken Verwaltungsgesellschaft mbH                      | 6 March 2017 | 0.0005          | 20.17        | 20.17                | 01 March 2017  | >20%  | attributed (section 22 WpHG): Asklepios Kliniken Verwaltungsgesellschaft mbH                      |
| B. Braun Melsungen Aktiengesellschaft                               | 7 April 2017 |                 | 25.0003      | 25.00                | 6 April 2017   | >25%  | attributed (section 22 WpHG): B. Braun Melsungen Aktiengesellschaft                               |
| Asklepios Kliniken Verwaltungsgesellschaft mbH                      | 22 May 2017  | 0.0005          | 25.10        | 25.10                | 18 May 2017  | >25%  | attributed (section 22 WpHG): Asklepios Kliniken Verwaltungsgesellschaft mbH                      |

The voting interests may have changed since 30 September 2017. With regard to notifications on threshold events pursuant to section 21 (1) of the WpHG that took place as of 1 October 2017, 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 website in the Investor Relations/Publications/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 September 2017:

| Voting interest pursuant to sections 21, 22 WpHG on date that interest exceeds/falls below threshold |                 |                 |              |                      |  |   |  |
|--|-----------------|-----------------|--------------|----------------------|--|---|--|
| Person subject to notification requirement   | 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)                           |
| Asklepios Kliniken Verwaltungsgesellschaft mbH   | 22 May 2017     | 0.0005          | 25.10        | 25.10                | 18 May 2017  | >25%  | attributed (section 22 WpHG): Asklepios Kliniken Verwaltungsgesellschaft mbH |
| B. Braun Melsungen Aktiengesellschaft*   | 7 April 2017    |                 | 25.0003      | 25.00                | 6 April 2017   | >25%  | attributed (section 22 WpHG): B. Braun Melsungen Aktiengesellschaft          |
| Eugen Münch**  | 1 March 2017    | 6.94            | 4.59         | 11.53                | 23 August 2016                                       | >10%  | attributed (section 22 WpHG): HCM SE   |
| Ingeborg Münch   | 26 October 2015 | 5.44            |              | 5.44                 | 15 October 2015                                      | >5%   | Section 21 (1)   |
| Landeskrankenhilfe V.V.a.G.  | 21 October 2015 | 3.19            |              | 3.19                 | 15 October 2015                                      | >3%   | Section 21 (1)   |

\* B. Braun informed us by a Manager's Transaction notification on 24 July 2017 about the placement of a discretionary order to acquire up to 4.97% of voting rights (3,330,074 voting rights) by 23 July 2018 inclusive.

\*\* Pursuant to the notification of voting rights of 1 March 2017, HCM SE has an option to purchase a further 5.87% of voting rights (3,930,000 voting rights) in a forward share purchase until 23 November 2017.



In the reporting period of 1 January to 30 September 2017, we received one notification on statutory reporting thresholds according to sections 25 of the WpHG:

| Voting interest pursuant to section 25 WpHG on date that interest exceeds/falls below threshold |              |                      |  |   |   |
|---|--------------|----------------------|--|---|---|
| Person subject to notification requirement  | 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   |
| Eugen Münch   | 1 March 2017 | 5.87                 | 1 March 2017   | >15%  | Section 25 (1) no. 2 WpHG forward share purchase, physical settlement by 23 November 2017 |

The voting interests may have changed since 30 September 2017. With regard to notifications on threshold events that took place as of 1 October 2017, 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 website in the Investor Relations/Publications/IR News section.

As at 30 September 2017, the Company holds 24,000 treasury shares. This corresponds to 0.04% of the voting rights.

### Corporate Bodies and Advisory Board

The Supervisory Board member Stephan Holzinger resigned his Supervisory Board mandate before taking up his mandate as chairman of the Board of Management with effect from 31 January 2017. Dr. Annette Beller was appointed by the court to succeed him on the Supervisory Board and as of 23 March 2017 is a member of the Supervisory Board. At the Annual General Meeting on 7 June 2017, Dr. Beller was elected to succeed Mr. Holzinger, who had resigned his mandate, in the context of the by-election to the Supervisory Board until conclusion of the Annual General Meeting resolving on formal approval of the actions for financial year 2019.

With effect from 1 February 2017, Mr. Stephan Holzinger was appointed to the position of chairman of the Board of Management and replaced Dr. Dr. Martin Siebert as previous chairman of the Board of Management who assumed the office of permanent representative of the chairman of the Board of Management. Moreover, the Supervisory Board resolved on 23 February 2017 to reduce the size of the Board of Management from five to three members and for that purpose removed the members of the Board of Management Martin Menger and Jens-Peter Neumann with immediate effect. The Board of Management of the Company is thus composed of Mr. Stephan Holzinger (chairman of the Board of Management), Dr. Dr. Martin Siebert (permanent representative of the chairman of the Board of Management) and Prof. Dr. Bernd Griewing. The responsibilities within the Board of Management were adjusted accordingly. The Terms of Reference were adjusted to the respective dates.

Moreover, the allocation of responsibilities within the Board of Management as well as within the Supervisory Board is regularly adapted to changing requirements. On 6 April 2017, 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 website. 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 2016.

As at 30 September 2017, the composition of the Advisory Board as well as its distribution of duties and responsibilities have not changed since 31 December 2016. According to the resolution of the Board of Management and Supervisory Board, the Advisory Board will be dissolved as of 31 December 2017.

### **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 2016. The transactions conducted with related parties primarily result from service, lease and supply 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 changed significantly 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 2016. The same applies for the financial receivables and/or liabilities that existed with related parties. The business volume of the first nine months of financial year 2017 with the B. Braun Group rose by € 0.3 million to € 7.4 million (previous year: € 7.1 million).

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

### **Total payments of Supervisory Board, the Board of Management and the Advisory Board**

The contractual remuneration for the members of the Supervisory Board and of the Board of Management as well as the corresponding remuneration guidelines as at the key date of 30 September 2017 have remained unchanged with the exception of the Board of Management service contract newly concluded for Mr. Stephan Holzinger as well as the removal of the members of the Board of Management Martin Menger and Jens-Peter Neumann. Detailed information with regard to contractual remunerations and the remuneration guidelines is presented in our 2016 Annual Report.

The contractual remuneration for the members of the Advisory Board has remained unchanged since the presentation in the 2016 Annual Report.

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

Members of the Board of Management as well as other employees hold an interest in the company RHÖN-Innovations GmbH founded in March 2016. The payments made for the interests are reported under the other liabilities item as cash-settled share-based payment transactions as defined by IFRS 2. No expenses as part of this remuneration were incurred during the reporting period.

With regard to share-based payment transactions as defined in IFRS 2 in the form of virtual shares, we refer to the Notes to the consolidated financial statements in the 2016 Annual Report, Notes 2.15.4 and 10.5.

During the reporting period, RHÖN-KLINIKUM AG received the following notifications on transactions for own account by persons discharging managerial responsibilities pursuant to Article 19 of the Market Abuse Regulation (EU) No 596/2014, which has been in force in Germany since 3 July 2016:

| Date of transaction | First and last name                | Position/status             | Financial instrument and ISIN                                      | Nature and place of transaction | Quantity  | Price            | Trading volume   |
|---------------------|------------------------------------|-----------------------------|--|---------------------------------|-----------|------------------|------------------|
| 5 January 2017      | Prof. Dr. h. c. Ludwig Georg Braun | Member of-Supervisory Board | RHÖN-KLINIKUM share<br>ISIN DE0007042301                           | Purchase over the counter       | 15,000    | € 25.43          | € 381,465.00     |
| 6 January 2017      | Prof. Dr. h. c. Ludwig Georg Braun | Member of-Supervisory Board | RHÖN-KLINIKUM share<br>ISIN DE0007042301                           | Purchase over the counter       | 25,000    | € 25.56          | € 639,107.50     |
| 9 January 2017      | Prof. Dr. h. c. Ludwig Georg Braun | Member of-Supervisory Board | RHÖN-KLINIKUM share<br>ISIN DE0007042301                           | Purchase over the counter       | 25,000    | € 25.41          | € 635,125.00     |
| 10 January 2017     | Prof. Dr. h. c. Ludwig Georg Braun | Member of-Supervisory Board | RHÖN-KLINIKUM share<br>ISIN DE0007042301                           | Purchase over the counter       | 25,000    | € 25.50          | € 637,387.50     |
| 11 January 2017     | Prof. Dr. h. c. Ludwig Georg Braun | Member of-Supervisory Board | RHÖN-KLINIKUM share<br>ISIN DE0007042301                           | Purchase over the counter       | 50,000    | € 25.50          | € 1,274,900.00   |
| 12 January 2017     | Prof. Dr. h. c. Ludwig Georg Braun | Member of-Supervisory Board | RHÖN-KLINIKUM share<br>ISIN DE0007042301                           | Purchase over the counter       | 44,999    | € 25.37          | € 1,141,447.50   |
| 13 January 2017     | Prof. Dr. h. c. Ludwig Georg Braun | Member of-Supervisory Board | RHÖN-KLINIKUM share<br>ISIN DE0007042301                           | Purchase over the counter       | 59,999    | € 25.44          | € 1,526,130.00   |
| 16 January 2017     | Prof. Dr. h. c. Ludwig Georg Braun | Member of-Supervisory Board | RHÖN-KLINIKUM share<br>ISIN DE0007042301                           | Purchase over the counter       | 10,000    | € 25.89          | € 258,850.00     |
| 17 January 2017     | Prof. Dr. h. c. Ludwig Georg Braun | Member of-Supervisory Board | RHÖN-KLINIKUM share<br>ISIN DE0007042301                           | Purchase over the counter       | 20,000    | € 25.98          | € 519,624.00     |
| 18 January 2017     | Prof. Dr. h. c. Ludwig Georg Braun | Member of-Supervisory Board | RHÖN-KLINIKUM share<br>ISIN DE0007042301                           | Purchase over the counter       | 45,001    | € 25.99          | € 1,169,338.50   |
| 19 January 2017     | Prof. Dr. h. c. Ludwig Georg Braun | Member of-Supervisory Board | RHÖN-KLINIKUM share<br>ISIN DE0007042301                           | Purchase over the counter       | 190,003   | € 25.67          | € 4,876,426.00   |
| 20 January 2017     | Prof. Dr. h. c. Ludwig Georg Braun | Member of-Supervisory Board | RHÖN-KLINIKUM share<br>ISIN DE0007042301                           | Purchase over the counter       | 80,001    | € 25.59          | € 2,047,136.00   |
| 20 January 2017     | Prof. Dr. h. c. Ludwig Georg Braun | Member of-Supervisory Board | Forward share purchase of RHÖN-KLINIKUM share<br>ISIN DE0007042301 | Purchase over the counter       | 110,000   | not quantifiable | not quantifiable |
| 27 February 2017    | Prof. Dr. h. c. Ludwig Georg Braun | Member of-Supervisory Board | Forward share purchase of RHÖN-KLINIKUM share<br>ISIN DE0007042301 | Purchase over the counter       | 1,000,000 | € 24.50          | € 24,500,000.00  |
| 1 March 2017        | Eugen Münch                        | Member of-Supervisory Board | RHÖN-KLINIKUM share<br>ISIN DE0007042301                           | Purchase over the counter       | 1,000,000 | not quantifiable | not quantifiable |
| 1 March 2017        | Eugen Münch                        | Member of-Supervisory Board | Forward share purchase of RHÖN-KLINIKUM share<br>ISIN DE0007042301 | Purchase over the counter       | 1,000,000 | not quantifiable | not quantifiable |
| 7 March 2017        | Prof. Dr. h. c. Ludwig Georg Braun | Member of-Supervisory Board | Forward share purchase of RHÖN-KLINIKUM share<br>ISIN DE0007042301 | Purchase over the counter       | 1,200,000 | not quantifiable | not quantifiable |
| 24 July 2017        | Prof. Dr. h. c. Ludwig Georg Braun | Member of-Supervisory Board | Forward share purchase of RHÖN-KLINIKUM share<br>ISIN DE0007042301 | Purchase over the counter       | 3,330,074 | not quantifiable | not quantifiable |

Additional information on the respective notifications is published on our website under the header “IR-NEWS” in the Investor Relations section.

## Employees

At the reporting date of 30 September 2017 the Group employed a total of 16,634 persons (31 December 2016: 16,486 persons).

## Other financial obligations

Other financial obligations, with the exception of the obligation under a company purchase agreement (31 December 2016: € 0.7 million) as well as the investment obligation relating to the development and establishment of a medical network (31 December 2016: € 9.0 million), have not changed significantly since the last balance sheet date. The interests under the company purchase agreement were acquired in the third quarter of 2017. Likewise, proof of fulfilment of the network obligation was furnished, with the result that both obligations no longer exist as of 30 September 2017.

## 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 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<br>30 Sept. 2017 | No. of shares on<br>30 Sept. 2016 |
|-------------------------|-----------------------------------|-----------------------------------|
| Non-par shares          | 66,962,470                        | 66,962,470                        |
| Treasury non-par shares | -24,000                           | -24,000                           |
| <b>Shares in issue</b>  | <b>66,938,470</b>                 | <b>66,938,470</b>                 |

Earnings per share are calculated as follows:

| Non-par shares   | 30 Sept. 2017 | 30 Sept. 2016 |
|--|---------------|---------------|
| Share in consolidated profit (€ '000)                          | 25,570        | 80,459        |
| Weighted average number of shares outstanding,<br>in thousands | 66,938        | 66,938        |
| Earnings per share in €  | 0.38          | 1.20          |

## 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 consolidated companies 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 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 are deducted from cash and cash equivalents, it being noted in this regard that there were no bank overdrafts as at 30 September 2017.

Compared with the previous year, the change in cash generated from operating activities was primarily influenced by the change in earnings before tax and the change in provisions, in each case due to the reversal of provisions for potential legal and tax warranty risks with effect in profit or loss,

as well as the change in other assets. The change in other assets essentially results from the statement of a refund by a pension fund in the previous year.

Significant changes compared with the previous year resulted in particular with investment and finance activities. Compared with the previous year, investments in property, plant and equipment as well as in intangible assets remain at a high level, which is primarily attributable to the new construction measures in Bad Neustadt a. d. Saale and Frankfurt (Oder). In addition, terminations of fixed deposits in the amount of € 100.0 million (previous year: terminations of fixed deposits amounting to € 119.8 million) are reported under investments. During the previous year, the termination of the fixed deposit together with the reduction of cash and cash equivalents were used to finance the repayment of the exchange-listed bond of RHÖN-KLINIKUM AG in March 2016.

Moreover, € 3.0 million (previous year: € 10.2 million) was provided to the associated companies. In keeping with the objective of taking equity interests in highly innovative start-up companies from the medical field, an amount of € 2.5 million was invested in two relevant companies during the reporting period (previous year: € 1.1 million). In the context of two capital increases in the total amount of € 0.6 million (previous year: € 1.0 million), further funds were invested in Wir für Gesundheit GmbH (WfG) for establishing the distribution structures of a company supplementary health insurance scheme in collaboration with Debeka. WfG is operated jointly by Helios and Asklepios. This compares with the dividend payment of Energiezentrale Universitätsklinikum Gießen GmbH amounting to € 0.1 million (previous year: € 0.0 million). Moreover, additional loans for an amount of € 8.1 million were extended to one associate during the previous year.

€ 1.2 million (previous year: € 0.1 million) was used in the acquisition of doctor's practices. During the same period of the previous year, the repayment of the bond in the first quarter of 2016 resulted in a cash outflow of € 143.2 million. In 2017, a fixed interest rate bullet loan in the amount of € 10.0 million was repaid in the third quarter. After the Annual General Meeting in June, € 23.4 million (previous year: € 53.6 million) was paid to the shareholders of RHÖN-KLINIKUM AG. Dividends in the amount of € 1.5 million was paid to non-controlling interests in the third quarter of 2017 (previous year: € 0.1 million).

A total of € 10.3 million (previous year: € 12.0 million) in outstanding construction invoices was reflected in the cash flow statement.

The statement of cash flows sets out the change in cash and cash equivalents between two balance sheet dates. In the RHÖN-KLINIKUM Group, this item exclusively comprises cash and cash equivalents attributable to continuing operations because no operations were discontinued.

Bad Neustadt a. d. Saale, 10 November 2017

RHÖN-KLINIKUM Aktiengesellschaft  
THE BOARD OF MANAGEMENT

Prof. Dr. Bernd Griewing

Stephan Holzinger

Dr. Dr. Martin Siebert

## KEY FIGURES

### KEY FIGURES JANUARY TO SEPTEMBER 2017/ JANUARY TO SEPTEMBER 2016

| Data in € m  | Jan. - Sept. 2017 | Jan. - Sept. 2016 | Change in % |
|--|-------------------|-------------------|-------------|
| Revenues   | 902.5             | 885.3             | 1.9         |
| Materials and consumables used   | 255.7             | 249.8             | 2.4         |
| Employee benefits expense  | 587.0             | 565.3             | 3.8         |
| Depreciation/amortisation and impairment   | 44.1              | 44.4              | -0.7        |
| Consolidated result according to IFRS  | 27.0              | 82.4              | -67.2       |
| Profit share of shareholders of RHÖN-KLINIKUM AG   | 25.6              | 80.5              | -68.2       |
| Profit share of non-controlling interests  | 1.4               | 1.9               | -26.3       |
| Return on revenue (%)  | 3.0               | 9.3               | -67.7       |
| EBT  | 32.7              | 86.9              | -62.4       |
| EBIT   | 33.5              | 87.1              | -61.5       |
| EBIT ratio (%)   | 3.7               | 9.8               | -62.2       |
| EBITDA   | 77.6              | 131.5             | -41.0       |
| EBITDA ratio (%)   | 8.6               | 14.9              | -42.3       |
| Property, plant and equipment as well as investment property                                     | 729.3             | 695.6             | 4.8         |
| Income tax assets (non-current)  | -                 | -                 | -           |
| Equity according to IFRS   | 1,115.7           | 1,137.2           | -1.9        |
| Return on equity in %  | 3.3               | 8.6               | -61.3       |
| Balance sheet total according to IFRS  | 1,456.2           | 1,492.6           | -2.4        |
| Investment in property, plant and equipment, intangible assets as well as in investment property | 70.9              | 74.2              | -4.4        |
| Earnings per ordinary share (in €) (undiluted/diluted)   | 0.38              | 1.20              | -68.3       |
| Number of employees (headcount)  | 16,634            | 16,377            | 1.6         |
| Number of cases (patients treated)   | 631,653           | 615,629           | 2.6         |
| Beds and places  | 5,358             | 5,367             | -0.2        |

## KEY FIGURES JULY TO SEPTEMBER 2017/ JULY TO SEPTEMBER 2016

| Data in € m  | July - Sept. 2017 | July - Sept. 2016 | Change in % |
|--|-------------------|-------------------|-------------|
| Revenues   | 304.0             | 294.7             | 3.2         |
| Materials and consumables used   | 86.6              | 84.3              | 2.7         |
| Employee benefits expense  | 195.4             | 187.9             | 4.0         |
| Depreciation/amortisation and impairment   | 14.8              | 15.0              | -1.3        |
| Consolidated result according to IFRS  | 10.0              | 12.8              | -21.9       |
| Profit share of shareholders of RHÖN-KLINIKUM AG   | 9.5               | 12.3              | -22.8       |
| Profit share of non-controlling interests  | 0.5               | 0.5               | 0.0         |
| Return on revenue (%)  | 3.3               | 4.3               | -23.3       |
| EBT  | 12.4              | 13.3              | -6.8        |
| EBIT   | 12.6              | 13.2              | -4.5        |
| EBIT ratio (%)   | 4.1               | 4.5               | -8.9        |
| EBITDA   | 27.4              | 28.1              | -2.5        |
| EBITDA ratio (%)   | 9.0               | 9.5               | -5.3        |
| Property, plant and equipment as well as investment property                                     | 729.3             | 695.6             | 4.8         |
| Income tax assets (non-current)  | -                 | -                 | -           |
| Equity according to IFRS   | 1,115.7           | 1,137.2           | -1.9        |
| Return on equity in %  | 3.6               | 4.3               | -15.8       |
| Balance sheet total according to IFRS  | 1,456.2           | 1,492.6           | -2.4        |
| Investment in property, plant and equipment, intangible assets as well as in investment property | 26.9              | 23.9              | 12.6        |
| Earnings per ordinary share (in €) (undiluted/diluted)   | 0.14              | 0.18              | -22.2       |
| Number of employees (headcount)  | 16,634            | 16,377            | 1.6         |
| Number of cases (patients treated)   | 208,703           | 201,226           | 3.7         |
| Beds and places  | 5,358             | 5,367             | -0.2        |

## KEY FIGURES JULY TO SEPTEMBER 2017/ APRIL TO JUNE 2017/JANUARY TO MARCH 2017

| Data in € m   | July - Sept. 2017 | April - June 2017 | Jan. – March 2017 |
|---|-------------------|-------------------|-------------------|
| Revenues  | 304.0             | 298.3             | 300.1             |
| Materials and consumables used  | 86.6              | 85.8              | 83.4              |
| Employee benefits expense   | 195.4             | 194.3             | 197.2             |
| Depreciation/amortisation and impairment  | 14.8              | 14.7              | 14.6              |
| Consolidated result according to IFRS   | 10.0              | 8.5               | 8.4               |
| Profit share of<br>shareholders of RHÖN-KLINIKUM AG   | 9.5               | 8.1               | 7.8               |
| Profit share of non-controlling interests   | 0.5               | 0.4               | 0.6               |
| Return on revenue (%)   | 3.3               | 2.8               | 2.8               |
| EBT   | 12.4              | 9.8               | 10.5              |
| EBIT  | 12.6              | 10.0              | 10.9              |
| EBIT ratio (%)  | 4.1               | 3.3               | 3.6               |
| EBITDA  | 27.4              | 24.7              | 25.5              |
| EBITDA ratio (%)  | 9.0               | 8.3               | 8.5               |
| Property, plant and equipment as well as investment property  | 729.3             | 717.4             | 710.6             |
| Income tax assets (non-current)   | -                 | -                 | -                 |
| Equity according to IFRS  | 1,115.7           | 1,107.1           | 1,121.8           |
| Return on equity in %   | 3.6               | 3.0               | 4.0               |
| Balance sheet total according to IFRS   | 1,456.2           | 1,452.5           | 1,470.7           |
| Investment in property, plant and equipment, intangible assets as<br>well as in investment property | 26.9              | 22.5              | 21.5              |
| Earnings per ordinary share (in €) (undiluted/diluted)  | 0.14              | 0.12              | 0.12              |
| Number of employees (headcount)   | 16,634            | 16,541            | 16,524            |
| Number of cases (patients treated)  | 208,703           | 210,763           | 212,187           |
| Beds and places   | 5,358             | 5,358             | 5,358             |



## FINANCIAL CALENDAR

### DATES FOR SHAREHOLDERS AND ANALYSTS

#### 2017

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10 November 2017 Publication of Interim Report for the quarter ending 30 September 2017, conference call for analysts

#### 2018

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23 February 2018 Publication of preliminary results for financial year 2017, conference call for analysts

29 March 2018 Publication of 2017 Annual Financial Report, Results Press Conference

4 May 2018 Publication of Interim Report for the quarter ending 31 March 2018, conference call for analysts

6 June 2018 Annual General Meeting (Stadthalle in Bad Neustadt a. d. Saale)

2 August 2018 Publication of Half-Year Financial Report as at 30 June 2018, conference call for analysts

9 November 2018 Publication of Interim Report for the quarter ending 30 September 2018, conference call for analysts

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This Interim Report is also available in  
German.