

RHÖN-KLINIKUM AG

26th Annual General Meeting



Dr. med. Dr. jur. Martin F. Siebert, Frankfurt am Main, 12 June 2014



RHÖN-KLINIKUM
AKTIENGESELLSCHAFT

1. Financial year 2013

2. Share, share buy-back and dividend

3. Financial year 2014

4. Current developments

5. Future prospects

Announcement on 13 September 2013

- High level of confidentiality beforehand to ensure success
- Planned scope of transaction:
43 hospitals and attributable MVZs as well as service companies
- Scope taking account of antitrust reservations:
40 hospitals and attributable MVZs as well as service companies



End to a long phase of uncertainty and creation of a strong and reliable prospect with attractive growth opportunities

Sustainable value-added for stakeholders

- Shareholders
 - Opportunity of monetisation of their interest in Company
 - Opportunity to continue to participate in the Company's development
- Employees
 - Opportunities to develop within a large Group
 - Opportunity to innovatively shape the process of re-orientation
- Patients:
 - Unchanged focus of all efforts undertaken by RHÖN-KLINIKUM AG
 - Receive services in premium hospitals
 - Prospectively: Advantages of a general-coverage network Group

Highly efficient and innovative heavyweight

- 10 hospitals at 5 sites with 5,300 beds, 15,000 employees as well as revenues of > € 1 bn
- Above-average care level and medical quality
- Highly specialised services and state-of-the-art medical technology
- Close integration of hospital care with research and teaching

- ▶ *Advantages for nearly all interests in Company*
- ▶ *Sustainably enhanced enterprise value*
- ▶ *Improved market position*
- ▶ *Additional earnings and growth opportunities*

Figures

Patient treatments: 2.65 m

Revenues: € 3.01 bn

EBITDA: € 275.4 m

Net consolidated profit: € 90 m

“A transaction of this scale, in an environment that has not always been friendly, ties considerable management resources at the Group and individual hospital level. [...] There is no doubt that the year 2013 has to be seen and evaluated in the light of these circumstances.”

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Board of Management and Supervisory Board propose to AGM to
distribute a **dividend of € 0.25 per share**

on basis of a profit of € 0.63 per ordinary share
stable distribution rate (roughly 40%)

Dividend total: approx. € 34.6 m

Numerous advantages of share buy-back programme

- Adjustment of registered share capital to new Company size
- Possibility of exit option of Shareholders with moderate impact on share price
- Possibility of taking individual decision on investment
- Shareholders can realise value increases without deduction of investment income tax

Board of Management and Supervisory Board propose to AGM
to disburse the majority of sale proceeds amounting to approx. **€ 1,67 bn**
under a **share buy-back programme**.

- Public purchase offer 2014 for a total of roughly € 1.67 bn
- **Offer price** per share
 - Floor: weighted \emptyset price during last 3 trading days immediately preceding announcement (VWAP) **€ 23.54**
 - Cap: no more than **+7.0%** on Xetra closing auction price
- **Tender ratio, tender rights and their trading**
→ Specific terms to be set out in offer document

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Closing of transaction in Q1

- Removal of hospitals Boizenburg, Cuxhaven, Waltershausen-Friedrichroda from antitrust filing in 2013
- Approval of transfer of filed company interests by Federal Cartel Office without restrictions and conditions in February 2014
- 27 February 2014: Closing of transaction
 - Legal and actual transfer of most interests
 - Salzgitter: transfer in early March
 - HSK: transfer expected middle of June

Q1 figures

Patient treatments: 567,137

Revenues: € 629.5 m

EBITDA: € 1.488 bn

- **Forecast for 2014:**

No serious forecast possible for revenues and earnings

- **Forecast for 2015:**

*Revenues of € 1.06 – € 1.12 bn
EBITDA of € 145 – € 155 m*

Regulated market environment

- Structural problems in meeting challenges
- Reluctant use of inpatient medical services
- Trend in demographically driven demand for healthcare services unclear
- Mounting cost pressures: increase in wage and material costs coupled with expected price discounts

▶ Task of Management:
Development and implementation of a clear and viable strategy for future

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Healthcare Campus Bad Neustadt



- New construction of 5 clinics at site
 - Model concept of project
 - Optimised medical care at highest level
 - Innovative positioning within modern hospital system
 - Even better interdisciplinary integration
 - Shorter paths and more direct communication
 - Significant improvement in environmental standards
 - Highly modern working environment for our staff



Zentralklinik Bad Berka

- Additional psychiatry day clinic for children and adolescents with outpatient psychiatric institute
- Offering covering the entire range of paediatric and juvenile psychiatric disorders

- New radiotherapy department (MVZ) commissioned
- Cornerstone-laying ceremony for new Radiopharmacy Department
 - Most modern facility of its kind in Germany
 - Production of radiotherapeutically effective drugs



Klinikum
FRANKFURT (ODER)



UNIVERSITÄTSKLINIKUM
GIESSEN UND MARBURG GMBH



Economic situation: result for the year of + € 2 m in 2013

Gießen site:

- Launch of Spinal Cord Competence Centre
- Go-ahead for Hessian Aorta Centre
- Investment of € 22 m for construction of new psychiatry department

Marburg site:

- New treatment offering for psychosomatic and psychological conditions
- Accrediting of the Institution for Laboratory Medicine
- Opening of Centre for Unknown Diseases

Successful experiment: Germany's first privatised university hospital

Particle Therapy Centre in Marburg (PTC)

- High-precision proton accelerator for irradiation of certain types of tumours
- Founding of joint operating company with the University Hospital of Heidelberg
- Start of commissioning in 2014 and treatment of first patient in 2015



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Steadfast re-orientation of our Company

- Medical Board: Combining overarching corporate strategy with expertise of medical science
- Transformation from heterogeneous hospital group into integrated healthcare services provider

▶ Our brand name and our performance commitment:
innovation and treatment excellence ◀

Project of network medicine

- Joint partnership with Helios Kliniken and Asklepios Kliniken
- Offering of employer-financed supplementary insurance scheme for additional outpatient and inpatient services
- Open to all facilities meeting the requirements
- An offer for all health insurance members – whether privately insured or state-insured

“Within this network, RHÖN-KLINIKUM AG also in future understands itself as the decisive mover. In keeping with the tradition and self-perception of our Company, we will thus continue to assert the leading creative position when it comes to implementing new ideas.”

THANK YOU FOR YOUR
ATTENTION!

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