	2013	2012
Orders on hand (€ m)	1,139.2	986.6
Sales (€ m)	1,020.4	846.4
International sales (%)	59.4	62.1
EBIT (€ m)	54.7	50.8
EBT (€ m)	52.3	49.9
Staff (as at Dec. 31)	7,010	4,432

Acc. to International Financial Reporting Standards (IFRS)

VAMED Aktiengesellschaft
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VAMED AG

VAMED PROJECTS

GROUP REPORT 2013

FOREWORD OF THE EXECUTIVE BOARD

In 2013, VAMED's unique value chain in prevention, acute care, rehabilitation and nursing has once again evidenced our economic success despite internationally demanding circumstances and has confirmed that VAMED is very well positioned to successfully address future challenges.

VAMED's path over the more than three decades since its foundation has been characterized by pioneering spirit, entrepreneurial vision, and the courage to become involved with completely different cultures. From the very beginning, VAMED has accepted the challenges of international competition, developed a unique range of offers in health care, and introduced innovative models in prevention and rehabilitation.

By the end of 2013, VAMED had implemented more than 650 projects, including 21 in the form of Private Public Partnership (PPP) models, in 72 countries. Additionally, VAMED is a competence partner for many governments, ministries, and major public health care provider in developing and implementing future-oriented health care provision plans. Through innovative projects and wide-ranging offers VAMED has again successfully managed to expand existing potentials, tap new markets, and solidify our leading market position in 2013. health. care. vitality. stands for the overall competence VAMED may refer to in the business fields prevention, acute care, rehabilitation and nursing.

We offer our partners and customers a complete portfolio, ranging from project development and the planning and construction of health care facilities to highly specialized services, including total operational management. VAMED accompanies projects over the entire life cycle of a health care facility. This way we ensure every project's sustainable success through a meaningful evaluation of how investment costs compare to long-term operating costs. However, it is not only the economical use of available resources that motivates these measures: They in particular result in quality improvements from which both patients and the staff of health care facilities will benefit.

In the acute care sector, VAMED may again refer to significant achievements on international markets in 2013 in connection with planning and turn-key construction.

In Germany we were awarded the contract for the modernization and partially new construction of the bed tower of Charité Berlin, and VAMED is proud to be a future partner of Charité in the project business as well.

In Russia we completed with our full commitment the major order for upgrading and extending City Hospital No. 4 in Sochi. With its 350 beds and 16 operating rooms that hospital constituted a major Austrian contribution to providing health care during the 2014 Olympic Winter Games. In the year under review, VAMED managed to gain a foothold in the CIS private health care sector and won orders for a mother and child center in St. Petersburg as well as for several diagnostic centers in Moscow.

The Latin American market, where VAMED most recently became active, was developed so successfully by our teams in Honduras and Tobago in 2013 that it already accounts for 5% of VAMED's total turnover.

In rehabilitation, VAMED operates 11 facilities in Austria and is the country's largest provider of rehabilitation services. In 2013, the new rehabilitation centers in Vienna, Kitzbühel, and St. Veit im Pongau were successfully completed. Commencement of renovation and expansion work on the former hospital in Enns/Upper Austria to convert it into a modern rehabilitation and therapy center marks the start of yet another rehabilitation project in Upper Austria in 2013.

Also VAMED's service business developed successfully in 2013, despite difficult overall market conditions. On a global basis, VAMED now renders facility management services for 380 hospitals with some 110,000 beds - the number of hospital beds of Austria and Switzerland together - and has total operational management responsibility for 43 health care facilities with a total of 5,000 beds on three continents. In Austria, VAMED has taken on a leading role in health care through innovative offers in areas like oncological rehabilitation, children's rehabilitation and gender medicine. In 2013, we also clustered and networked 450 highly competent physicians working for VAMED into the International Medical Board, a new international knowledge platform.

Also the prevention and health tourism sector was a positive contribution to VAMED's overall success in 2013.

In the thermal spa area, we finished several new construction orders: Following the completion in early 2013 of 60 additional 4* superior rooms, including an innovative Premium Spa Area, at AQUA DOME-Tirol Therme Längenfeld, work at making the Vitalhotel Therme Geinberg Spa more attractive was finished in October 2013. Enlargement work on St. Martins Therme & Lodge was also successfully started in 2013.
A look into the future shows that the need to intensify networking among the various health care areas and an increasing demand for prevention and rehabilitation will determine future developments. We expect a greater need for integrated health care models to be the effect of these developments - all the more so as these integrated models are not only to the patients' benefit but will improve the economics of health care in general as well.

VAMED will continue with consistency along the route of innovation and cooperation and meet the challenges of quality competition with success.
In 2013 we once again managed to continue our international expansion and improve our financial ratios. We owe this success above all to our staff, and we should like to take this opportunity to express our appreciation for their outstanding performance, their cost awareness, commitment, and drive.
Likewise, we owe thanks to our customers, partners, and shareholders for the trust they placed in us and for their support during the past fiscal year.

Mag. Wolfgang Kaltenegger Member of the Executive Board	MMag. Andrea Raffaseder Member of the Executive Board	Dr. Ernst Wastler Chairman of the Executive Board	Mag. Gottfried Koos Member of the Executive Board

REPORT OF THE SUPERVISORY BOARD

Based on a current resolution, the Supervisory Board now has five shareholder representatives, viz. Dr. Gerd KRICK, Dkfm. Stephan STURM, KR Karl SAMSTAG, Mag. Andreas SCHMIDRADNER and Dr. Robert HINK, who have been appointed Supervisory Board Members until the end of the Annual General Meeting in which the Supervisory Board's acts for the fiscal year 2017 are officially approved.

In the fiscal year 2013, the Supervisory Board's deliberations focused on corporate acquisitions and on activities to strengthen the corporate areas 'Services' and 'Total Operational Management', as well as on measures to further expand, strengthen and consolidate the position of the VAMED group in the health care sector in Central Europe and internationally.

The Executive Board informed the Supervisory Board in writing and orally on the future corporate policy, the future development of the assets, financial position and performance of VAMED AG and of the VAMED group, as well as on the corporate business, the situation of the company and of the entire VAMED group. Where required in accordance with the provisions of the Companies Act, the Memorandum and Articles of Associations, or the company's rules and regulations, the Supervisory Board's approval was obtained.

The Financial Statements and the Management Report of VAMED AG were audited by Deloitte Audit Wirtschaftsprüfungs GmbH, Vienna, who issued an unqualified report.

As regards the preparation of separate consolidated financial statements, the Executive Board made use of the exemption provisions of the Austrian Business Code, section 245, under which, as a result of the group's inclusion into the majority shareholder's consolidated financial statements, no separate consolidated financial statements had to be prepared. Condensed financial statements of the subgroup, representing the VAMED segment in the majority shareholder's consolidated financial statements, were made available to the Supervisory Board. The consolidated financial statements of the majority shareholder were also submitted to the Supervisory Board.

The Supervisory Board set up a Balance Sheet Committee to audit the financial statements of VAMED AG and the (condensed) financial statements of the VAMED group; after detailed audits and following the Balance Sheet Committee's meeting on February 27, 2014, the Committee recommended the Supervisory Board to approve the financial statements.

In its meeting of March 6, 2014, the Supervisory Board accordingly approved the Financial Statements, including the Management Report, of VAMED AG, thereby adopting them under the Companies Act, section 96, para. 4.

The Supervisory Board is in approval of the Executive Board's suggestion on the use of the profit for the year. The Supervisory Board suggests appointing Deloitte Audit Wirtschaftsprüfungs GmbH, 1010 Vienna, Renngasse 1/Freyung, as auditors for the Financial Statements 2014 of VAMED AG.

Thanks and recognition are due to the staff for their contribution in the fiscal year 2013.

Vienna, March 6, 2014

The Supervisory Board
Dr. Gerd Krick
(Chairman)

CORPORATE ORGANS OF VAMED AG

The Executive Board

CHAIRMAN OF THE EXECUTIVE BOARD	**Dr. Ernst Wastler**
MEMBER OF THE EXECUTIVE BOARD	**Mag. Wolfgang Kaltenegger**
MEMBER OF THE EXECUTIVE BOARD	**Mag. Gottfried Koos**
MEMBER OF THE EXECUTIVE BOARD	**MMag. Andrea Raffaseder**

The Supervisory Board

CHAIRMAN	**Dr. Gerd Krick** Chairman of the Supervisory Board of Fresenius SE & Co. KGaA Chairman of the Supervisory Board of Fresenius Management SE
DEPUTY CHAIRMAN	**Dkfm. Stephan Sturm** Member of the Executive Board of Fresenius Management SE, the general partner of Fresenius SE & Co. KGaA
MEMBERS	**Dr. Robert Hink** Secretary General of the Austrian Association of Municipalities (ret.)
	Dr. Reinhard Platzer (until December 2, 2013) CEO of Kommunalkredit Austria AG (ret.)
	KR Karl Samstag CEO of Bank Austria Creditanstalt AG (ret.)
	Mag. Andreas Schmidradner Managing Director of B&C Holding GmbH
DELEGATED BY THE WORKS COUNCIL	**Josef Artner**
	Otto Hager
	Ing. Robert Winkelmayer

VAMED GROUP STRUCTURE

As a globally operating company, VAMED is specialized on projects and services for hospitals and health care facilities, and each individual order we receive places very special and challenging demands on the company.

VAMED is eager to face these challenges: With technical expertise, competence, and professionalism we turn into reality ideas and visions for the health of tomorrow.

»VAMED's clustering and networking of expertise positions the company as a unique partner in health care.«

PROJECTS		SERVICES	
INTERNATIONAL	CENTRAL EUROPE	AKH and KAV, Vienna	CENTRAL EUROPE and INTERNATIONAL
VAMED ENGINEERING GmbH & CO KG, Vienna	VAMED Estate Development and Engineering GmbH & Co KG, Vienna	VAMED-KMB Technical Operation and Management Ltd., Vienna	VAMED Management and Service GmbH & Co KG, Vienna

»Committed without limits to health, worldwide.«

VAMED WORLDWIDE

Employing a staff of several thousand, VAMED works worldwide on ideas and implementing them for health care facilities of the future.

VAMED has implemented with success more than 650 facilities in health care and health tourism (hospitals, research centers, rehabilitation centers and nursing homes, residences for senior citizens, health and spa centers, and thermal resorts) in 72 countries. In addition to being well established in Europe, VAMED has been very successful in the form of important projects for many years in the Middle East, Africa, Asia, and Latin America, where the company has secured its competitive advantage through know-how, professionalism, and solutions tailored to meet local needs.

Berlin, Germany
Hamburg, Germany
Kirchheimbolanden, Germany
Bad Homburg, Germany
Kiel, Lübeck, Germany
Cologne, Germany
Prague, Czech Republic
Eindhoven, The Netherlands
Vienna, Austria - VAMED Headquarters
Rapperswil-Jona, Switzerland
Zihlschlacht, Switzerland
Lisbon, Portugal
Bagno a Ripoli, Italy
Milan, Italy
Budapest, Hungary
Athens, Greece
Ankara, Turkey
Warsaw, Poland
Bucharest, Romania
Novi Sad, Serbia
Tuzla, Bosnia and Herzegovina
Bijeljina, Bosnia and Herzegovina

Moscow, Russia
Krasnodar, Russia
St. Petersburg, Russia
Sochi, Russia
Donetsk, Ukraine
Yalta, Ukraine
Kiev, Ukraine
Astana, Kazakhstan
Ashgabat, Turkmenistan
Baku, Azerbaijan
Minsk, Belarus

Ulaanbaatar, Mongolia
Beijing, P.R. of China
Ho Chi Minh City, Vietnam
Hanoi, Vietnam
Kuala Lumpur, Malaysia
Manila, Philippines
Bangkok, Thailand
Jakarta, Indonesia

Port-of-Spain, Trinidad and Tobago
Bogotá, Colombia
Tegucigalpa, Honduras

Abu Dhabi, UAE
Abuja, Nigeria
Luanda, Angola
Praia, Cape Verde
Dakar, Senegal
Maputo, Mozambique
Accra, Ghana
Libreville, Gabon
Tripoli, Libya
Erbil, Iraq
Baghdad, Iraq




VAMED AS AN INTEGRATED HEALTH CARE PROVIDER

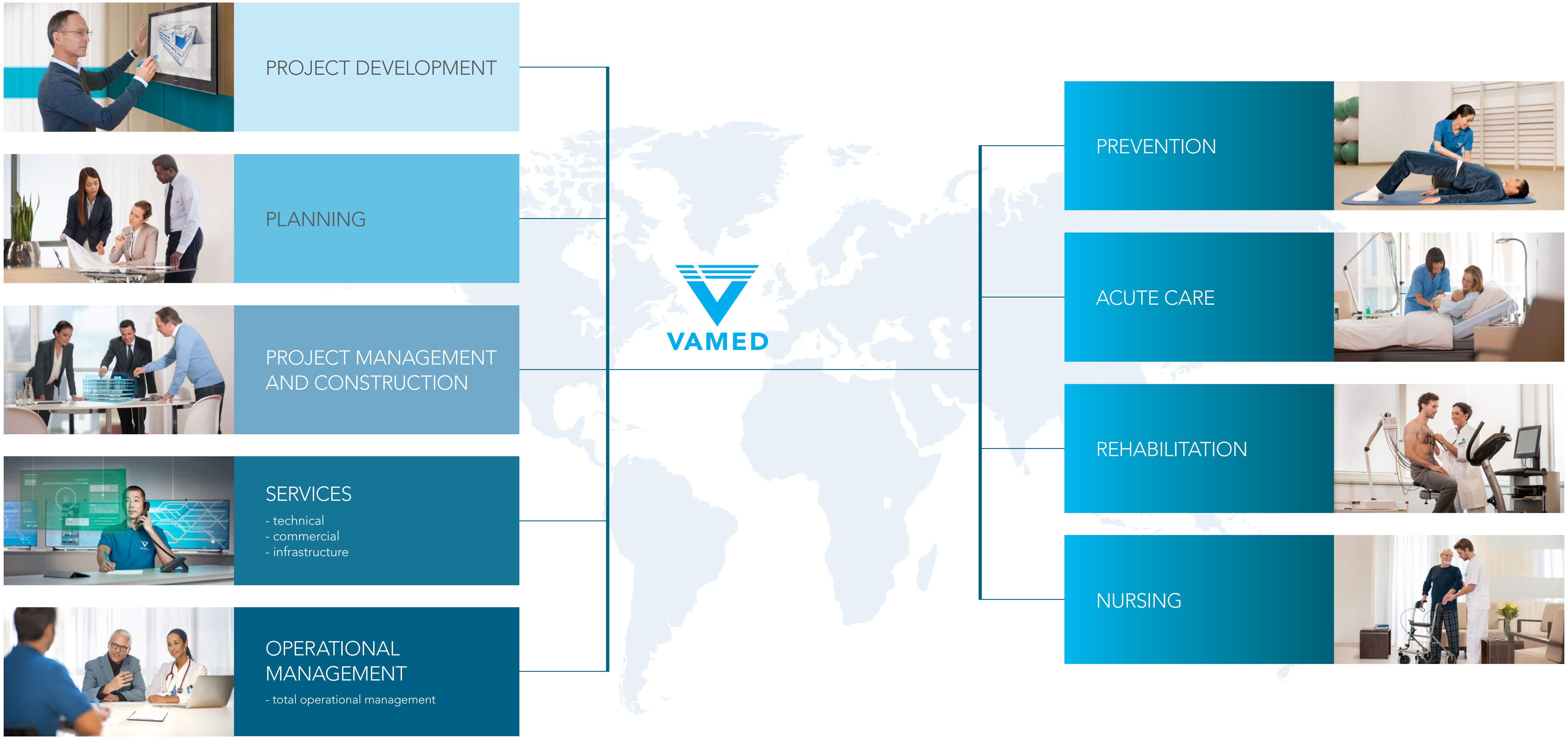
From individual services to overall implementation projects, including operational management: VAMED is the partner for all health care sector projects where overall solution competence is required.

»VAMED's portfolio of services is fully focused on health only. A life long.«

health. care. vitality. are the three aspects of human health and wellbeing, for which we are working worldwide. The networking and integration of all competencies in the project business and service divisions alike helps VAMED develop customized solutions for projects and enables us to offer whatever is required for their implementation from one single source.

UNDERSTANDING HEALTH IN A HOLISTIC WAY

VAMED operates in the prevention, acute care, rehabilitation, and nursing areas and combines competencies in professional consultation, planning and construction, financing solutions (financial engineering), and management. Backed up by a firm commitment to quality, efficiency, and reliability VAMED ensures the sustainable success of projects and of partners in health care - globally.



It all starts with the initial idea.

The initial idea for a project is the driving force behind a joint plan: Sparked by an initial idea for a project, VAMED develops individually adjusted and customized solutions to put the project on the right track in functional, technical, and financial terms.

- **Ideas, plans**
- **Market and efficiency analyses**
- **Planning criteria**
- **Staff and organization planning**
- **Information systems**
- **Financial engineering**

PROJECT DEVELOPMENT

Competence through concentrated know-how.

The complex challenges faced when planning projects in the health care sector require a professional team that can put its experience and know-how to good use in designing new solutions - a team that can be trusted.
VAMED's experts, forming a competent and well-coordinated team, plan projects from the very beginning and assume responsibility for their complete implementation.

PLANNING

- Target planning
- Functional and operational planning
- General planning
- Architecture and technical building systems planning
- Medical equipment planning
- IT planning

From the planning stage to the finished building.

VAMED is the professional partner for health care projects, from initial planning to handing-over the turn-key project. Implementation meeting all requirements in terms of deadlines, costs and quality is ensured, as are financing solutions and accompanying control.

PROJECT MANAGEMENT AND CONSTRUCTION

- **Medical technology packages**
- **General contractor's function**
- **Project management**
- **Financing solutions (financial engineering)**
- **Putting into operation**
- **Staff training**

Optimized processes ensure high quality in health care.

VAMED offers a full range of services for health care facilities. VAMED's service business has a modular structure and ranges from facility management aspects in technical, commercial, and infrastructure terms to total operational management. Through optimizing processes, VAMED minimizes costs and ensures the required quality of health care.

SERVICES

- **Commercial, technical and infrastructure services**
- **IT solutions**
- **Logistics**

Comprehensive support, assuming full responsibility.

As one of the very few companies worldwide, VAMED has the know-how it takes to manage a health care facility over its entire life cycle, from the initial project idea to total operational management, using our own resources.

VAMED stands ready to provide whatever management service is desired, from outsourcing solutions for partial operations via partnership models to total operational management.

OPERATIONAL MANAGEMENT

- Total operational management

VAMED PROJECTS

By the end of 2013, VAMED had implemented more than 650 projects at an international level, 21 of which were Private Public Partnership (PPP) models.

Public sector clients are displaying increasing interest in Public Private Partnerships (PPPs). For these business models, public and private partners jointly plan, build, finance and operate hospitals and other health care facilities. In order to increase efficiency and ensure its competitive edge, VAMED is always trying to find new and innovative approaches: Apart from partnership-based implementation models, as for instance life cycle and PPP models, these include international structured financial engineering and the continuous further development of instruments and processes for the implementation and operational management of health care facilities.

»As we understand health in a holistic way, VAMED provides the full range of services.«

GENERAL HOSPITAL OF THE CITY OF VIENNA - MEDICAL UNIVERSITY CAMPUS
AUSTRIA

General hospital and university clinics

NUMBER OF BEDS
2,100

PROJECT SCOPE
Completion and putting-into-operation of General Hospital - Medical University Campus, staff training, ongoing extension work and facility management

COMPLETION
1994

FACILITY MANAGEMENT
Since 1986

EFQM Excellence award Prize Winner - 2013
VAMED-KMB

THERME WIEN MED
AUSTRIA

Medical competence center for the locomotor system (outpatient rehabilitation) and pulmology

PROJECT SCOPE
Project development, planning, construction and total operational management

COMPLETION
2011

OPERATIONAL MANAGEMENT
Since 2011

REHABILITATION CLINIC VIENNA BAUMGARTEN
AUSTRIA

Orthopedic rehabilitation

NUMBER OF BEDS
152

PROJECT SCOPE
Project development, planning, construction and total operational management

COMPLETION
2013

OPERATIONAL MANAGEMENT
Since 2013

VAMED PROJECTS

ONCOLOGICAL REHABILITATION CENTER SONNBERGHOF
BAD SAUERBRUNN, AUSTRIA

Oncological rehabilitation

NUMBER OF BEDS
120

PROJECT SCOPE
Project development, planning, construction and total operational management

OPERATIONAL MANAGEMENT
Since 2009

REHABILITATION CENTER KITZBÜHEL
AUSTRIA

Rehabilitation for musculoskeletal conditions

NUMBER OF BEDS
120

PROJECT SCOPE
Project development, planning, construction and total operational management

COMPLETION
2013

OPERATIONAL MANAGEMENT
Since 2013

PROVINCIAL HOSPITAL NEUNKIRCHEN
AUSTRIA

General hospital

NUMBER OF BEDS
364

PROJECT SCOPE
Planning, construction, equipment, and putting-into-operation

COMPLETION
2016

REHABILITATION CENTER ST. VEIT IM PONGAU
AUSTRIA

Oncological rehabilitation

NUMBER OF BEDS
120

PROJECT SCOPE
Project development, planning, construction and total operational management

COMPLETION
2013

OPERATIONAL MANAGEMENT
Since 2014

UNIVERSITY HOSPITAL CHARITÉ BERLIN
GERMANY

University hospital

NUMBER OF BEDS
3,200 beds at four locations

PROJECT SCOPE
Facility management via the service company CFM (Charité Facility Management Ltd.), a joint company of Charité, VAMED, Dussmann and Hellmann

FACILITY MANAGEMENT
Since 2006

UNIVERSITY HOSPITAL SCHLESWIG-HOLSTEIN
KIEL, LÜBECK, GERMANY

University hospital

NUMBER OF BEDS
2,400

PROJECT SCOPE
Establishing and managing two service companies for IT operation

IMPLEMENTATION
Since 2010

VAMED PROJECTS

REHABILITATION CLINIC ZIHLSCHLACHT
SWITZERLAND

Neurological rehabilitation

NUMBER OF BEDS
135

PROJECT SCOPE
Project development, planning and extension of the existing Rehabilitation Clinic by specialized departments; diagnostic center; therapy, office and meeting rooms; total operational management

COMPLETION
2015

OPERATIONAL MANAGEMENT
Since 2013

REHABILITATION CLINIC MALVAZINKY PRAGUE,
CZECH REPUBLIC

Orthopedic rehabilitation

NUMBER OF BEDS
60

PROJECT SCOPE
Project development, planning, construction and total operational management

COMPLETION
2012

OPERATIONAL MANAGEMENT
Since 2013

GENERAL HOSPITAL "SVETI VRAČEVI"
BIJELJINA,
BOSNIA AND HERZEGOVINA

General hospital

NUMBER OF BEDS
246

PROJECT SCOPE
Planning, financial engineering, construction and equipment, putting-into-operation and staff training

COMPLETION
2013

REGIONAL HOSPITAL NO. 1
KRASNODAR, RUSSIA

General hospital

NUMBER OF BEDS
300 new beds
(total of 1,200 beds)

PROJECT SCOPE
Planning and implementation of reconstruction and extension work, equipment, putting-into-operation, staff training and maintenance

COMPLETION
2012

HOSPITAL NO. 4
SOCHI, RUSSIA

General hospital

NUMBER OF BEDS
350

PROJECT SCOPE
Extension and modernization of the municipal hospital

COMPLETION
2013

IMC PRIVATE HOSPITAL
ULAN BATOR, MONGOLIA

General hospital

NUMBER OF BEDS
92

PROJECT SCOPE
Planning contract for architecture, building services, supply and installation of medical technology, putting-into-operation, staff training and maintenance

COMPLETION
2013

VAMED PROJECTS

ONCOLOGICAL CENTER HUE
VIETNAM

General hospital

NUMBER OF BEDS
2,050

PROJECT SCOPE
Enlargement of the existing hospital by an oncology center

COMPLETION
2014

JIANGXI YINGTAN PEOPLE'S HOSPITAL
CHINA

General hospital

NUMBER OF BEDS
500

PROJECT SCOPE
Planning, supply, installation and putting-into-operation of medical technology

COMPLETION
2013

POLYCLINICS III
GHANA

Polyclinic
General hospital

NUMBER OF BEDS
15 beds each at the locations Wamfie, Nkrankwanta, Techimantia, Bomaa, and Kwatire

PROJECT SCOPE
Planning, construction, equipment and putting-into-operation

COMPLETION
2014

FOUNDATION JEANNE EBORI
LIBREVILLE, GABON

Mother-and-Child Hospital

NUMBER OF BEDS
176

PROJECT SCOPE
Planning, construction and equipment, putting-into-operation, staff training, and maintenance

COMPLETION
2015

GENERAL HOSPITAL OWENDO
GABON

General hospital

NUMBER OF BEDS
151

PROJECT SCOPE
Planning, financial engineering, construction and putting-into-operation

COMPLETION
2013

NATIONAL CANCER INSTITUTE
KUALA LUMPUR, MALAYSIA

Specialist hospital

NUMBER OF BEDS
252

PROJECT SCOPE
Planning, supply, installation, and putting-into-operation of medical technology, staff training, and maintenance

COMPLETION
2013

VAMED PROJECTS

MONAPO HOSPITAL
MOZAMBIQUE

General hospital

NUMBER OF BEDS
40

PROJECT SCOPE
Planning, turn-key construction and equipment, putting-into-operation, staff training, and maintenance

COMPLETION
2015

HOSPITAL FOGO
CAPE VERDE

General hospital

NUMBER OF BEDS
90

PROJECT SCOPE
Extension and modernization of the existing hospital

COMPLETION
2015

SAN FERNANDO HOSPITAL
TRINIDAD AND TOBAGO

General hospital

NUMBER OF BEDS
216

PROJECT SCOPE
Adaptation of the existing hospital (phase II)

COMPLETION
2103

LA PURA WOMEN'S HEALTH RESORT KAMPTAL
GARS AM KAMP, AUSTRIA

Medical wellness resort exclusively for women

PROJECT SCOPE
Renovation, extension and repositioning of the former Medical Vital Resort Gars, total operational management

OPERATIONAL MANAGEMENT
Since 2011

VAMED VITALITY WORLD the relaxing way of life

GEINBERG[5] PRIVATE SPA VILLAS
GEINBERG, AUSTRIA

Extension of the Thermal Spa Geinberg, 21 new 5* SPA Villas with their own wellness area, Exclusive SPA, oriental world of experience with Hamam and gastronomy area

PROJECT SCOPE
Project development, financing, planning, construction, putting-into-operation and total operational management

COMPLETION
2012

VAMED VITALITY WORLD the relaxing way of life

AQUA DOME-TIROL THERME LÄNGENFELD
LÄNGENFELD, AUSTRIA

Extension of AQUA DOME-Tirol Therme Längenfeld by 54 rooms, 6 family suites, new seminar rooms, Hotel Premium SPA "SPA 3000", more than 2,000m² sauna area, baths and tranquility oasis on two floors

PROJECT SCOPE
Project development, financing, planning, construction, putting-into-operation and total operational management

COMPLETION
2013

VAMED VITALITY WORLD the relaxing way of life

GROUP MANAGEMENT REPORT 2013

GROUP MANAGEMENT REPORT

VAMED achieved excellent results in 2013.
VAMED may refer to a successful fiscal year 2013 - sales increased by 21 %, EBIT is up 8 %, and earnings before tax (EBT) improved by 5 %. A 13 % rise in new orders and a plus of almost 15 % in our order books form a solid basis for future growth.

1. Economic report

1.1 General economic and business situation

VAMED is specialized on international projects and services for hospitals and health care centers. Our range of services comprises the complete value chain in the health care sector, ranging from consultation, project development, planning and turn-key completion via maintenance and technical management to total facility management.
Our wide-ranging competencies warrant an efficient and successful support of complex health care facilities over their entire life cycles. VAMED is in addition a pioneer in the area of Public Private Partnership (PPP) models for hospitals and other health care facilities.

As a global provider for the health care industry with a wide-ranging service portfolio, VAMED has achieved a unique market position.

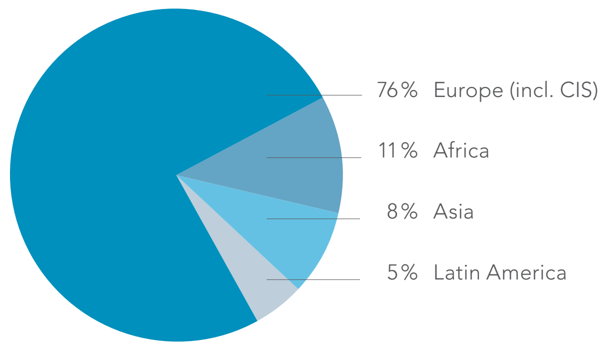
VAMED has so far successfully implemented some 650 projects in 72 countries dispersed over four continents.

1.2 Business development

Economic development
In the fiscal year 2013, VAMED managed to increase sales by 21 % to a total of € 1,020 million (2012: € 846 million). The organic growth rate was 13 %. Sales by divisions developed as follows:

in T€	2013	2012	Changes
Project business	583,127	506,124	15 %
Service business	437,293	340,310	28 %
Total	**1,020,420**	**846,434**	**21 %**

Sales broken down by regions
In 2013, Europe was the most dynamic sales region, accounting for 76 % of total sales. Africa, Asia, and Latin America contributed 11 %, 8 %, and 5 %, respectively, to total sales.



2013: T€ 1,020,420

In the year under review, project business again developed excellently and orders on hand rose by 15% to €1,139 million.

VAMED's earnings performance also was outstanding. EBIT rose by 8% to €55 million (2012: €51 million), of which the project business and the service business account for €27 million (2012: €25 million) and €28 million (2012: € 26 million), respectively. The EBIT margin is 5.4%.

A result of our business's low capital intensity, VAMED's return on equity (ROE) before taxes is excellent at 19.9% (2012: 20.8%).

The net income of VAMED attributable to the parent's shareholders was € 37 million, an increase of 6% against the previous period (2012: € 35 million).

VAMED'S VALUE CHAIN

PROJECT BUSINESS

- Project development
- Consulting
- Planning
- Project management and construction
- Financial engineering

SERVICE BUSINESS

- Total operational management
- Facility management
- Medical technology management
- Logistics/procurement
- IT solutions/information systems
- Quality management

Project business

Our project business comprises consultation, project development and planning, and the turn-key completion of projects, including financing management. VAMED responds flexibly to our clients' needs, providing customer-tailored solutions, all from one source. VAMED also implements projects together with cooperation partners.

Public sector clients are displaying increasing interest in Public Private Partnerships (PPPs). So far, 21 PPP models have been implemented. For these business models, public and private partners set up a joint project company to plan, build, finance and operate hospitals and other health care facilities.

In the following, brief information is given about important projects in individual project business target markets.

Europe

In Germany, all VAMED projects were successfully continued. The new construction of the hospital Hofheim am Taunus progressed substantially in 2013: The topping-out ceremony for the first stage of construction was held in early 2013. The new building will further improve treatment quality and render hospital operation more efficient. The turn-key construction of a new Examination and Treatment Center (UB-West) at the University Hospital of Cologne was also continued with success. In connection with that 'life-cycle project', VAMED also received a 25-year facility management contract. Towards the end of the year 2013, VAMED was awarded the contract for the renovation and partially new construction of the Charité Berlin bed tower.

In Austria, the focus was on the development of further PPP projects and on holistic implementation models. The Integrated Health Care Center Oberndorf near Salzburg has been a unique reference project in public health care in Austria since 2012. The combination of an acute care hospital and a rehabilitation center with the planned health center at one location constitutes a new medical care approach. In western Austria, two new rehabilitation projects were successfully implemented: In September 2013, the new rehabilitation center in Kitzbühel, which specializes in orthopedic conditions, was completed. At the Otto Wagner hospital in Vienna, the turn-key construction of an inpatient rehabilitation center, the Rehabilitation Clinic Vienna Baumgarten, was completed with success. Towards the end of the year, construction of the Oncological Rehabilitation Center St. Veit im Pongau, the first center of that type in the region, was brought to an end.

Furthermore, work on the renovation and expansion of the former hospital in Enns/Upper Austria to convert it into a modern rehabilitation and therapy center was started. The area of specialization of that 120-bed facility will be the treatment of neurological and pulmonary conditions. In acute care, a major order was won for the turn-key construction of the Provincial Hospital Neunkirchen, Lower Austria.

That 364-bed specialist hospital is planned to be completed towards the end of 2016. Planning and construction work for two further major projects in Lower Austria, the Provincial Hospital Weinviertel/Mistelbach and the Rheumatism Special Hospital in Baden, was successfully continued in 2013.

In Switzerland, Canton Thurgau, the planning of the construction of a new building and the adaptation of existing facilities at the Rehabilitation Clinic Zihlschlacht was successfully completed and initial construction work started. That future 135-bed facility is a leading hospital for neurological rehabilitation, with special wards for early rehabilitation, psycho-mentally injured patients, and the treatment of Parkinson and chronic pain.

In Bosnia and Herzegovina, work on the major order for the overall implementation of the General Hospital Bijeljina was successfully completed. The festive opening ceremony of that hospital was held in July 2013.

In Romania, reconstruction work at the Dâmbovita County Hospital in Targoviste was successfully finished.

In Russia, the renovation and expansion of the Sochi City Hospital No. 4 was continued: With its 350 beds and 16 operating rooms that hospital provided a major Austrian contribution to health care during the 2014 Olympic Winter Games. The hospital is also a reference project for further health care facilities in Russia. From the AVA-Peter North Clinic in St. Petersburg we received an order for the supply of medical technology, including installation, putting-into-operation, and staff training. An equivalent order was received for the Diagnostic Center at the MEDSI Private Hospital No. 34 in Moscow, where VAMED was also commissioned with project control for the new building.

In Turkmenistan, further medical technology supply orders were carried out, as for instance for the Dental Clinic in Ashgabat.

Africa

In Gabon, modernization work for the major project Centre Hospitalier de Libreville was continued to schedule; some extension phases were already successfully finished in 2013. Work at the Hospital Jeanne Ebori was continued, and receipt of the PAC (Preliminary Acceptance Certificate) with regard to the Owendo Hospital marked the successful completion of that order. In 2013, VAMED also received orders for the turn-key construction of two regional hospitals, with about 100 beds each, in Oyem and Mouila.

Also in Ghana, the follow-up contract for the construction of five further turn-key polyclinics was carried on. These polyclinics are of a modular structure, each comprising a central medical complex featuring operating room, examination rooms, a maternity ward, laboratory, pharmacy, and bed ward, as well as a service complex and staff accommodation.

In Nigeria, final completion work on a total of 14 university hospitals, which VAMED modernized, was finished. A number of other orders are also in the implementation phase, as for instance in Cape Verde, Mozambique, and Senegal.

Asia

In Malaysia, Vietnam, and China, important markets for VAMED in Asia, we have been working with success for many years. The high level of satisfaction our work enjoys with our customers secured new orders from China in 2013, where we gained a foothold in the important private hospital sector with an innovative plan for an integrated acute care and rehabilitation clinic in Haikou, Hainan Island, Southern China.

This marks the continuation of our previous year's success story, while new orders were also received from other Asian markets, as for instance an order for the supply of medical technology for the Intermed Hospital in Ulan Bator, Mongolia.

In Malaysia, VAMED completed an order for the planning, supply, and installation of medical technology at the National Cancer Institute in Kuala Lumpur.

In Vietnam, work on the enlargement of the hospital in Hue, with special facilities for oncological care, was continued to schedule. In Hanoi, the functional planning and the supply of medical technology in connection with the "Hospital Modernization Program – PMU 4" was continued.

In Laos, VAMED was awarded a further contract as part of the overall modernization of the "Friendship Hospital".

Latin America

VAMED's first order in Honduras, the planning, supply, and installation of a medical technology package for an existing hospital, was successfully completed. Implementation of follow-up orders, including the partially new construction of a building including equipment with medical technology, as well as the construction of a completely new building, was started. A branch office was established in Honduras to support project management on location and to further work the Honduran market.

In Trinidad and Tobago, the modernization of the San Fernando Hospital is progressing successfully, and the first order in connection with that program, the San Fernando Chancery Lane, is being finished for handing over to the customer as early as the beginning of 2014.

Service business

VAMED's service business has a modular structure and comprises all facility management aspects in technical, commercial, and infrastructure terms for health care objects. Services on offer range from the maintenance of buildings and of all devices, service of medical technology equipment, via facility management to the total operational management of health care facilities. On a global basis, VAMED was responsible in 2013 for the total operational management of 43 health care facilities with a total of some 5,000 beds on three continents. In facility management, VAMED provides services for 380 hospitals with a total of 110,000 beds.

VAMED also provides services related to energy management, waste management, cleaning of buildings and exterior facilities, as well as security services. With this offer of integrated solutions VAMED warrants the optimum management and operation of a facility over its entire life cycle, from its construction to the end of its primary useful life, or to its modernization and extension.

VAMED also takes over logistics tasks in health care. Through optimizing processes, VAMED minimizes logistics costs and ensures the required quality of health care.
The following survey outlines relevant developments and events in our service business target markets:

Europe

In Austria, VAMED successfully continued its more than 25-year long partnership with the General Hospital of the City of Vienna - Medical University Campus (AKH) in 2013. VAMED has been in charge of technical management of the AKH since 1986. Apart from that, VAMED has continued work on the further extension of the AKH. The AKH Vienna is one of Europe's largest hospitals, comprising 30 clinics and institutes with about 2,100 beds.

VAMED's second largest technical service contract, after the AKH Vienna, is for two hospitals with a total of 1,230 beds in the province of Lower Austria. In 2013, we continued with success the technical management of these two hospitals.

Managed by VAMED, two new rehabilitation centers, in Vienna and in Tirol, started operations in 2013. Being in charge of eleven rehabilitation centers, VAMED is the largest private provider of rehabilitation services in Austria. Ensuring high-quality service standards at all our rehabilitation centers is an essential VAMED objective. In 2013, the successful Joint Commission International accreditation for the rehabilitation centers Montafon and Gmundnerberg bears impressive evidence of our rigorous quality standards.

In the acute care sector, VAMED acquired a controlling interest in the internationally renowned addiction clinic Anton Proksch Institute in Vienna in 2013.

In Germany, Charité CFM Facility Management Ltd., the consortium led by VAMED, has been in charge of all technical and infrastructure services at the University Hospital Charité Berlin since 2006. A staff of about 2,600 is busy fulfilling one of the largest orders ever placed in the European hospitals sector.

In 2012, the VAMED-led consortium was again awarded a contract, and cooperation was carried on in 2013 on the basis of that new contract.

In connection with VAMED's partnership with the Schleswig-Holstein University Hospital, in existence since 2010, another milestone could be achieved in IT infrastructure modernization: At the Lübeck location, Europe's most modern computer center in the health care sector started operations. This established a sound basis for the UKSH (Schleswig-Holstein University Hospital) to be able to meet existing and future hospital information system demands in the long term.

In connection with medical technology operations, VAMED won as new customers the Augsburg Hospital, the Lutheran Deaconess House Berlin Teltow Lehnin, and the Kaiserswerther Deaconess Hospital Düsseldorf, and in the sterile services area the new customers are the Schön Hospital Neustadt and the Caritas Clinic Maria Heimsuchung in Berlin-Pankow.

In 2013, we also won a medical technology management contract for Marienhaus GmbH and their six hospital locations in the Saarland. VAMED was again awarded the contract for medical technology management at Vivantes Hospitals Berlin.

The awarding of the contract for the construction and operation of the Central Sterilization Facility for the Kassel Hospital strengthened VAMED's market position in sterile services even further. This means that, in 2013, we improved our competences regarding sterile services and may refer to managing almost 1 million sterile units in Austrian, German, and Czech hospitals.

In the Czech Republic, the acquisition in 2013 of three hospitals raises the number of Mediterra Hospital locations to seven, with a total of 1,000 beds.

In Italy, the VAMED subsidiary H.C. Hospital Consulting S.p.A. continued to develop successfully and, in 2013, provided facility management services for 150 health care facilities with a total of 33,000 beds. Furthermore, our subsidiary Hermed Switzerland, in its first year on the Swiss market, concluded contracts with eight hospitals for medical technology management.

Asia

As a result of consistent efforts at working the market in Thailand, VAMED also managed to perform well there. Following first contracts in 2009, further service contracts were won in 2013. Among others, VAMED was awarded the contract for the implementation of a hospital information system (HIS) at six hospitals operated by the national oil and gas company. In China, a management assistance contract was signed in connection with the planning, construction, and operation of the Haikou Private Hospital, Hainan Province.

Africa

In Gabon, VAMED is in charge of the total operational management of seven regional hospitals and of the facility management of the HIAOBO Hospital in Libreville, of the Angondje Hospital, and of the Centre Hospitalier in Libreville. At the beginning of 2013, a medical training program, commissioned by the Ministry of Health, for the regional hospitals operated by VAMED was started and has been developing very successfully.

Middle East

In the United Arab Emirates, the Ministry of Presidential Affairs awarded VAMED management assistance contracts for two hospitals in Abu Dhabi, the 250-bed Sheikh Khalifa Specialized Hospital Ras Al Khaimah, and the 205-bed Sheikh Khalifa General Hospital Umm Al Quwain.

VAMED Vitality World

Owing to an increasing health consciousness, thermal spas and wellness resorts have been gaining in importance. VAMED has put its decade-long experience to good use and, with the VAMED Vitality World thermal spa and health resorts, managed to bridge the gap between preventive medicine and health tourism. As the market leader, VAMED operates eight thermal spa and health resorts in six Austrian provinces, attracting 2.5 million guests a year.

In 2013, VAMED again took significant measures to ensure the high quality standards at VAMED Vitality World resorts. In January 2013, the position of AQUA DOME-Tirol Therme Längenfeld as one of the flagship enterprises among thermal spa and health resorts in the Alpine region, was further strengthened with the festive opening of sixty additional 4* superior rooms, an innovative Premium SPA area exclusively for hotel guests, an additional 500 square meters of seminar facilities featuring state-of-the-art seminar technology and an extensive facelift of the existing hotel.

In early summer 2013, work on the enlargement of St. Martins Therme & Lodge was started, and in October of the same year work at increasing the attractiveness of Vitalhotel Therme Geinberg was completed. Also in terms of product development, VAMED Vitality World lived up to its position as market leader and innovator and successfully introduced the Relax One-day Holiday. In addition, VAMED Vitality World was chosen "World's Leading Medical Wellness and SPA Operator" in 2013 for the third time in a row.

1.3 Results of operations, financial position, assets and liabilities of the VAMED group

1.3.1 Results of operations

In the fiscal year 2013, the VAMED group managed to increase consolidated sales from T€ 846,434 to T€ 1,020,420, or by about 21 %.

Breakdown of sales by divisions:

in T€	2013	2012	Changes
Project business	583,127	506,124	15 %
Service business	437,293	340,310	28 %
Total	**1,020,420**	**846,434**	**21%**

Earnings before taxes (EBT) amount to € 52.3 million, up € 2.4 million (or about 5 %) against the previous period.

The net financial result is € -2.5 million, or € 1.5 million below last year's result of € -1.0 million, which is largely the result of the very low interest rate level and the leveraged acquisition of interests.

Taxes on income and earnings fell by about € 0.1 million to € 13.7 million. Based on EBT, the tax ratio is 26.2 % (previous period: 27.6 %).

1.3.2 Assets and liabilities

in T€	Dec, 31, 2013	%	Dec, 31, 2012	%
ASSETS				
Current assets	470,462	65 %	462,488	68 %
Property, plant and equipment; goodwill; other intangible assets	136,903	19 %	117,906	18 %
Other non-current assets	118,203	16 %	95,916	14 %
Balance sheet total	**725,568**	**100%**	**676,310**	**100%**
LIABILITIES AND SHAREHOLDERS' EQUITY				
Short-term liabilities	317,187	44 %	319,359	47 %
Long-term liabilities	145,598	20 %	116,936	17 %
Shareholders' Equity	262,783	36 %	240,015	36 %
Balance sheet total	**725,568**	**100 %**	**676,310**	**100%**

Investments

The following investments were made by the VAMED group:

in T€	2013	2012
Property, plant and equipment	9,246	8,684
Other intangible assets	1,694	2,322
Total	**10,940**	**11,006**

The increase in property, plant and equipment mainly refers to replacement and renewal investments in connection with furniture and fixtures.

1.3.3 Financial position

in T€	2013	2012	Changes
Order intake (project business)	743,930	657,244	13 %
Sales	1,020,420	846,434	21 %
Operative result before interest, taxes, depreciation, amortization (EBITDA)	65,051	59,418	9 %
EBITDA margin	6.4 %	7.0 %	
Operating result (EBIT)	54,734	50,839	8 %
EBIT margin	5.4 %	6.0 %	
Earnings before taxes (EBT)	52,277	49,887	5 %
EBT margin	5.1 %	5.9 %	
Results attributable to the parent's shareholders	37,349	35,268	6 %
Balance sheet total	725,568	676,310	7 %
Shareholders' equity	262,783	240,015	9 %
Equity ratio	36.2 %	35.5 %	
Tax ratio (based on EBT)	26.2 %	27.6 %	

1.4 Non-financial performance indicators

The past record of success and the future potential of VAMED are essentially based on the following key factors:

- unique overall competencies in the health care sector;
- the skills and potentials of our staff members, the result of their training, expertise, and project experience;
- their ability and readiness to extend cooperation to beyond organizational units and geographic boundaries;
- internationalism, multi-cultural experience and the resulting ability to develop adequate solutions worldwide;
- producer-independence; our product and producer neutrality ensures optimum benefits for our customers;
- the ability of the entire VAMED group – in the sense of a 'learning organization' - to put to good use and further develop the experience gathered in connection with projects;
- the setting of demanding standards by management and the committed promotion of staff complying with them;
- integration into a large international group operating in the health care sector, tapping all opportunities an international network offers.

VAMED is committed to respecting ethical standards (Compliance Rules) with regard to our staff and in our relations with customers, suppliers and all other business partners. In order to ensure that these high requirements are met, VAMED has implemented a group-wide Compliance System to monitor adherence to all (self-imposed) obligations as stipulated in our Code of Conduct.

The implementation and realization of e-learning modules within our knowledge management system was launched in 2012. The VAMED Code of Conduct was started in 2013 as the first e-learning project and made available to all VAMED staff in the German and English languages. As of November 2013, that e-learning module has been available to our staff in the Czech Republic in their mother tongue.

For many years already VAMED has attached top priority to further developing their human capital, the single most important factor to ensure lasting success, and established an HCM - Human Capital Management program. Related processes within the lead companies of the VAMED group aim at raising individual training levels and improving qualitative and quantitative resources, thus promoting the organization's capability to perform. Within the scope of strategic personnel planning, processes are being implemented for the identification of high potentials, i.e. top performers capable of assuming managerial responsibilities. The aim is to specifically train them to fulfill future tasks.

The HCM program is an important instrument that helps to promote employee identification with the company, to support training of high potentials and to prepare best-trained staff well familiar with the relevant sector in each case for responsible positions, and in general to both widen and deepen know-how over the entire value chain of the VAMED group. This at the same time helps to shorten familiarization periods and to substantially reduce placement errors.

The expansion of the 'VAMED Academy', our internal training and further training center, by additional technical fields and topics on issues like personality development, leadership skills, social and methodological competencies was advanced in 2013 with consistency and will be pursued in a targeted manner also in 2014.

The year 2008 saw the start of the VAMED group's first trainee program. In October 2013, the third round of the trainee program, focusing on Controlling, was successfully completed. In 2014, further trainee programs focusing on Facility Management and Controlling will start.

The further development of staff is supplemented and supported by knowledge management systems and quality management systems established at individual company level to meet most challenging standards (e.g., according to ISO 9001:2000, ISO 13485:2003, EFQM, Joint Commission, E-Qalin, and KTQ). In technical terms, all requirements for the various knowledge management components (knowledge portal, panel of experts, Communities of Practice, etc.) could be put in place already in 2008.

Currently, there are eight Communities of Practice across entities. Furthermore, 40 project-specific Teamspaces have been implemented. VAMED staff access the knowledge portal about 7,800 times a day to retrieve information and exchange information beyond the limits of their departments or companies.

In 2013, we clustered and networked the know-how of 450 highly competent physicians working for VAMED into the International Medical Board (IMB), a new international knowledge platform.

Our partners' trust, on which the success of the VAMED group is effectively based, is built on the potential of our staff, our supporting systems, and our overall competencies.

Staff

In 2013, the consolidated companies of the VAMED group had on average 742 manual employees, 5,531 non-manual employees, and 149 apprentices (previous period: 671 manual employees, 3,622 non-manual employees, and 121 apprentices). Changes in the consolidated group resulted in an increase in the total number of staff of 1,796.

2. Risk report

2.1 General risks

Professional project control and professional project management have become well-established core competencies of the VAMED group in the construction as well as services sector. General risks associated with the project and services business are covered by operating well-tested systems for their identification, assessment and minimization, adjusted to the business activity at issue.

These systems for a satisfactory avoidance of default, liquidity and cash-flow risks comprise organizational measures (as for instance risk calculation standards for working out offers; risk assessment prior to acceptance of orders; ongoing project controlling including project supervisory meetings and continuously updated risk evaluation; budget checking at regular intervals, etc.), quality assurance measures (quality standards comprising several business fields, in particular according to ISO 9001:2000, ISO 9001:2008, ISO 13485:2003, ISO 14001:2004 and EFQM), and measures regarding financial issues (credit reviews; dunning system; ensuring receipt of payment through requiring advance payment, L/Cs, or guaranteed loans; safe investments; sufficient prudential reserves). In the year 2013, VAMED continued its successful strategy to increasingly offer overall implementation models with a major focus on total operational management for health care facilities. The complexity of sophisticated services in both national and international health care markets requires relatively long development periods and entails significant cost risks. While such long development periods are usual in the trade, VAMED may put its specific experience, standardized procedure models, knowledge databases and wide-ranging interdisciplinary technical competencies to good use to substantially shorten these development periods and therefore markedly curtail exposure to cost risks.

All countries are currently experiencing enormous cost pressure in meeting health care demands, which can be felt in the hospital and rehabilitation sectors in particular. In Europe, strategies to reduce hospital bed capacity, to close down or to merge hospitals and to implement specialized hospitals continue to dominate in the acute care sector.

VAMED addresses this trend through holistic implementation models including financing (e.g., life-cycle models and innovative PPP models along the entire VAMED value chain). Fair and reasonable sharing of opportunities and risks with mostly public partners/sponsors and a clear focus on core competencies in each situation usually constitute the only chance to implement investment projects and increase cost effectiveness in the health care sector.

A targeted further development of core competencies from the services division (management) and the project business for their synergetic application against the backdrop of wide-ranging international experience is required to implement such models. Associated risks can be minimized through competent quality management, professional knowledge management and by operating broadly-based development programs for the staff and the management alike. For cases in which an event of risk occurs despite wide-ranging measures to minimize risks, a crisis management system has been established which provides for a clearly defined plan to proceed by stages.

Using simulated cases, this system is being trained systematically and on a regular basis. In particular with regard to our responsibility as operators of health care facilities we have detailed plans and protective measures for our staff, our patients and guests in place to ensure the continued functioning of those health care facilities we are in charge of.

2.2 Specific risks

Hedging transactions tailored to the scope of individual projects and their duration are entered into to provide cover against trade receivables and future purchases of products and services quoted in foreign currencies.

3. Supplementary report

No events of significant importance with regard to the results of operations, financial position, assets and liabilities of the VAMED group have occurred after the end of the year under review.

4. Outlook

VAMED's tasks in Europe in the year 2014 will largely be determined by holistic implementation models and PPP projects. Outside of Europe, our focus will be on tailored solutions and customer-oriented financial engineering for health care facilities along VAMED's value chain. A particular future focus will be on the development of integrated health care models.

VAMED in general differentiates between established and developing health care markets. In particular in established health care markets characterized by increasing cost pressure and rising cost awareness, our services are much in demand.

In addition to increasing efficiency through professional technical management, infrastructure or commercial management and logistics, there are a vast number of novel processes indirectly controlled by procedures in the medical and nursing fields that still bear substantial potential for improved efficiency. VAMED plays a leading role in the continued development of these processes.

New processes, however, are often contingent on new structural and technical infrastructure for their efficient implementation. In VAMED's established markets therefore the focus will be on services and the adaptation of health care facilities' infrastructures, in particular within the framework of life-cycle and PPP models.

In the majority of VAMED's fast growing health care markets, providing efficient health care systems that meet people's needs continues to have priority. While work to develop primary supply structures has largely been completed, the focus in many markets is now on promoting the availability of secondary health care and on creating tertiary as well as teaching and research structures within Centers of Excellence. Also in a large number of Asian, Middle Eastern, Southern Central Asian as well as African markets there is increasing demand for professional services in accordance with European standards.

This in turn generates demand in emerging markets for VAMED's core competencies in the project as well as service business divisions. In the vast majority of cases, contracts are procured via the classical project business. Building up a modern range of offers in fields like rehabilitation, nursing, and preventive care meets with increasing interest in these markets, too.

The outstanding international reputation the VAMED group has built through their professionalism and reliability, based on the wide-ranging portfolio of services and countries, allows us to face the future with confidence and optimism.

Also in 2014, VAMED will be determined to live up to the trust placed by partners and customers at home and abroad in our ability to successfully implement projects meeting all requirements as to costs, deadlines, and quality. Also in the future we will attach top priority to developing innovative approaches and quality solutions and ensuring their successful implementation. Living up to the VAMED motto: 'think global, act local' in 2014, we will continue to offer our wide-ranging international network of branches and joint ventures in Central and Eastern Europe, the Middle East, in Asia, Africa and Latin America, including the total value chain and customer-tailored solutions, to our customers and partners for the benefit of people's health and quality of life.

Vienna, February 27, 2014

The Executive Board

Dr. Ernst Wastler
Chairman of the Executive Board

Mag. Wolfgang Kaltenegger
Member of the Executive Board

Mag. Gottfried Koos
Member of the Executive Board

MMag. Andrea Raffaseder
Member of the Executive Board

CONTENTS

The consolidated financial statements of the VAMED group are equivalent to the segment report 'Fresenius Vamed' in the consolidated financial statements of Fresenius SE & Co. KGaA according to IFRS and are referred to herein as "financial statements of the VAMED group".

CONSOLIDATED FINANCIAL STATEMENTS 2013

Condensed CONSOLIDATED FINANCIAL STATEMENTS OF VAMED AG VIENNA for the fiscal year January 1 to December 31, 2013

VAMED GROUP – INCOME STATEMENT

January 1 to December 31, in T€	Note(s)	2013	2012
Sales	3	1,020,420	846,434
Cost of sales	4, 5	-889,625	-723,065
Gross profit		**130,795**	**123,369**
Selling and general administrative expenses	6	-77,829	-74,411
Other expenses	7	-971	-992
Other income	7	2,739	2,874
Operating result (EBIT)		**54,734**	**50,839**
Interest income	8	1,488	1,823
Interest expenses	9	-3,945	-2,775
Earnings before taxes (EBT)		**52,277**	**49,887**
Income taxes	10	-13,672	-13,784
Earnings after income taxes (EAT) = net income		**38,605**	**36,103**
Attributable to non-controlling interests	11	-1,256	-834
Results attributable to the parent's shareholders		**37,349**	**35,268**

VAMED GROUP – STATEMENT OF COMPREHENSIVE INCOME

		2013	2012
Earnings after income taxes (EAT) = net income		**38,605**	**36,103**
Other Comprehensive Income (Loss)			
Positions which will be reclassified into net income in subsequent years		**-1,828**	**627**[1]
Cash flow hedges		-34	346[1]
Foreign currency translation		-1,804	370[1]
Income taxes on positions which will be reclassified		9	-89[1]
Positions which will not be reclassified into net income in subsequent years		**-2,562**	**-6,321**[1]
Actuarial losses on defined benefit pension plans		-1,544	-5,748[1]
Other items (mainly severance pay provisions)		-1,817	-2,323[1]
Income taxes on positions which will not be reclassified		799	1,750[1]
Other Comprehensive Income (Loss)		**-4,390**	**-5,694**[1]
Total comprehensive income		**34,215**	**30,409**[1]
Attributable to non-controlling interests		**-1,256**	**-834**
Group income statement		-1,256	-834
Other Comprehensive Income (Loss)		0	0
Comprehensive income attributable to the parent's shareholders		**32,959**	**29,575**[1]

[1] Previous year's figures have been adjusted; see "III. Summary of significant accounting principles, items c) and t)"

VAMED GROUP – BALANCE SHEET

ASSETS

as at December 31, in T€	Note(s)	2013	2012
Cash and cash equivalents	12	106,306	83,129
Trade accounts receivable, less allowance for doubtful accounts	13	137,600	174,022
Accounts receivable from and loans to related parties	14	40,691	38,300
Inventories	15	135,044	95,330
Prepaid expenses and other current assets	16	50,821	71,707
Total current assets		**470,462**	**462,488**
Property, plant and equipment	17	46,016	34,083
Goodwill	18	85,180	77,279
Other intangible assets	18	5,707	6,544
Deferred taxes	10	8,425	2,464
Other non-current assets	13, 16, 19	109,778	93,452
Total non-current assets		**255,106**	**213,822**
Total assets		**725,568**	**676,310**

LIABILITIES AND SHAREHOLDERS' EQUITY

as at December 31, in T€	Note(s)	2013	2012
Trade accounts payable	20	114,310	110,606
Short-term trade accounts payable to related parties	21	1,569	300
Short-term accrued expenses and other short-term liabilities	22, 23	144,582	175,982
Short-term borrowings	24	4,410	10,192
Short-term loans from related parties	24	43,882	17,141
Current portion of long-term debt and liabilities from capital lease obligations	24	1,067	817
Short-term accruals for income taxes	25	7,368	4,321
Total short-term liabilities		**317,187**	**319,359**
Long-term debt and liabilities from capital lease obligations, less current portion	24	3,261	2,456
Long-term liabilities and loans from related parties	24	64,309	43,544
Long-term accrued expenses and other long-term liabilities	22, 23	44,128	45,980[1]
Pension liabilities	26	17,322	12,794[1]
Deferred taxes	10	16,579	12,162[1]
Total long-term liabilities		**145,598**	**116,936**
Equity attributable to non-controlling interests		**3,284**	**2,393**
Subscribed capital	27	10,000	10,000
Capital reserve	27	41,119	41,152
Other reserves	27	224,117	197,816
Accumulated Other Comprehensive Income (Loss)	28	-15,737	-11,346[1]
Equity attributable to the parent's shareholders		**259,499**	**237,622**
Total shareholders' equity		**262,783**	**240,015**
Total liabilities and shareholders' equity		**725,568**	**676,310**

[1] Previous year's figures have been adjusted; see "III. Summary of significant accounting principles, item t)"

VAMED GROUP – CASH FLOW STATEMENT

January 1 to December 31, in T€	2013	2012
Cash provided by/used for operating activities		
Attributable to the parent's shareholders	37,349	35,268
Attributable to non-controlling interests	1,256	834
Adjustments to reconcile group net income (EAT) to cash and cash equivalents provided by operating activities		
Depreciation and amortization	10,317	8,579
Changes in deferred taxes	-1,444	-314[1]
Gain/loss on sale of fixed assets	-167	-131
Other expenses/income not recognized as cash	1,226	1,089
Change in assets and liabilities, net of amounts from businesses acquired or disposed of		
Changes in accounts receivable, net	38,525	-68,493
Changes in inventories	-39,264	66,085
Changes in prepaid expenses and other current assets	23,640	-20,769
Changes in accounts receivable from/payable to related parties	1,633	-15,654
Changes in accounts payable, accruals and other liabilities	-45,327	28,917[1]
Changes in accruals for income tax	3,012	-684
Cash provided by/used for operating activities	**30,756**	**34,727**
Cash provided by/used for investment activities		
Purchase of property, plant and equipment	-10,940	-11,006
Proceeds from the sale of property, plant and equipment	150	292
Acquisition of investments, net	-10,720	-33,363
Proceeds from divestitures	0	0
Cash provided by/used for investment activities	**-21,510**	**-44,077**
Cash provided by/used for financing activities		
Proceeds from/repayment of short term loans	-6,863	-4,159
Proceeds from/repayment of borrowings from related parties	44,353	60,685
Proceeds from/repayment of borrowings to related parties	-12,068	1,831
Proceeds from/repayment of long-term debt and liabilities from capital lease obligations	-1,272	-43,780
Payments to capital reserve	-32	32
Dividends paid	-9,700	-9,250
Changes in non-controlling interests	-487	-972
Cash provided by/used for financing activities	**13,931**	**4,387**
Net change in cash and cash equivalents	**23,177**	**-4,963**
Cash and cash equivalents at the beginning of the year	**83,129**	**88,092**
Cash and cash equivalents at the end of the year	**106,306**	**83,129**
thereof: cash and cash equivalents subject to restricted disposition	0	0

[1] Previous year's figures have been adjusted; see "III. Summary of significant accounting principles, items c) and t)"

VAMED GROUP – STATEMENT OF SHAREHOLDERS' EQUITY

January 1 to December 31, in T€	Subscribed capital	Reserves Capital reserve	 Other reserves	Other Comprehensive Income (Loss)	Equity attributable to the parent's shareholders	Equity attributable to non-controlling interests	Total shareholders' equity
As at December 31, 2011	**10,000**	**41,119**	**171,144**	**-830**	**221,433**	**2,184**	**223,617**
Restatements due to the first-time adoption of IAS 19R	0	0	0	-4,823	-4,823	0	-4,823[1]
Effects of the inclusion of items in connection with FSE segment reporting (VAMED's goodwill and option reserve)	0	0	1,089	0	1,089	0	1,089
Other Comprehensive Income (Loss) Cash flow hedges	0	0	0	257	257	0	257[1]
Foreign currency translation	0	0	0	370	370	0	370[1]
Actuarial losses on defined pension plans	0	0	0	-4,514	-4,514	0	-4,514[1]
Other items (mainly severance pay provisions)	0	0	0	-1,806	-1,806	0	-1,806[1]
Effect of changes of the consolidated group	0	0	-435	0	-435	347	-88
Creation and/or reversal of reserves	0	33	0	0	33	0	33
Dividends	0	0	-9,250	0	-9,250	-972	-10,222
Net income	0	0	35,268	0	35,268	834	36,102
As at December 31, 2012	**10,000**	**41,152**	**197,816**	**-11,346**	**237,622**	**2,393**	**240,015**[1]
Effects of the inclusion of items in connection with FSE segment reporting (VAMED's goodwill and option reserve)	0	0	1,226	0	1,226	0	1,226
Other Comprehensive Income (Loss) Cash flow hedges	0	0	0	-25	-25	0	-25
Foreign currency translation	0	0	0	-1,804	-1,804	0	-1,804
Actuarial losses on defined pension plans	0	0	0	-1,174	-1,174	0	-1,174
Other items (mainly severance pay provisions)	0	0	0	-1,388	-1,388	0	-1,388
Effect of changes of the consolidated group	0	0	-2,574	0	-2,574	122	-2,452
Creation and/or reversal of reserves	0	-33	0	0	-33	0	-33
Dividends	0	0	-9,700	0	-9,700	-487	-10,187
Net income	0	0	37,349	0	37,349	1,256	38,605
As at December 31, 2013	**10,000**	**41,119**	**224,117**	**-15,737**	**259,499**	**3,284**	**262,783**

[1] Previous year's figures have been adjusted; see "III. Summary of significant accounting principles, items c) and t)"

NOTES

GENERAL NOTES

NOTES ON THE INCOME STATEMENT

NOTES ON THE BALANCE SHEET

OTHER NOTES

GENERAL NOTES

1. General

I. Group structure

VAMED is specialized on international projects and services for hospitals and health care centers. The headquarters and the location of the lead company, VAMED Aktiengesellschaft, is in 1230 Vienna, Sterngasse 5. VAMED Aktiengesellschaft (in the following also VAMED AG, or VAG) is owned by Fresenius ProServe GmbH (in the following also FPS), Oberursel, a wholly-owned subsidiary of Fresenius SE & Co. KGaA (in the following also FSE), Bad Homburg v.d.H., (77 %), IMIB Immobilien und Industriebeteiligungen GmbH, Vienna, (13 %), and B & C Beteiligungsmanagement GmbH, Vienna, (10 %).

Fresenius is a globally active health care group with products and services for dialysis, hospitals, as well as the medical care of outpatients. The Fresenius group further operates hospitals and provides engineering and general services for hospitals and other health care facilities. In addition to the activities of FSE, the operating activities were split into the following legally independent business segments (subgroups) in the fiscal year under review:

- Fresenius Medical Care
- Fresenius Kabi
- Fresenius Helios
- Fresenius Vamed

General notes on the financial statements of the VAMED group

VAMED AG is included in the consolidated financial statements of Fresenius SE & Co. KGaA with its seat in 61346 Bad Homburg v.d.H., Germany, and makes use of the exemption provisions under the Austrian Business Code, section 245. FSE draws up the consolidated financial statements in the German language in accordance with IFRS under the German Commercial Code, section 315a. Therefore, the financial statements of the VAMED group have been drawn up on a voluntary basis and are fully in line with the segment report for the 'Fresenius Vamed' segment in FSE's consolidated financial statements according to IFRS. The financial statements of the VAMED group are in euro. For the purpose of clear presentation, figures are given in thousand euros (T€). As a result of the required rounding, minor deviations of total and percentage figures may be seen. The VAMED group's financial statements vary from the International Financial Reporting Standards (IFRS) and the interpretations by the International Financial Reporting Interpretations Committee (IFRIC) in the following points:

- The goodwill from the acquisition of the VAMED group at the level of the parent company FSE has been included in the financial statements of the VAMED group (push-down accounting);
- The goodwill from acquisitions of other FSE segments has been included in the VAMED group's financial statements at the values indicated by FSE (push-down accounting) or arises from the difference between the purchase prices and the amortized carrying amounts. The total goodwill resulting from the above circumstances amounts to € 50.5 million.
- The present Notes on the VAMED group's financial statements have been drawn up to the extent required for a clear understanding of the balance sheet and the income statement and do not claim to be complete in the sense of the International Financial Reporting Standards (IFRS).

As for the full wording of the abbreviated company names used in these Notes, please see List of Participating Interests. Broken down into 'fully consolidated companies' and 'non-consolidated companies', that list gives company names in alphabetical order on the basis of their German-language abbreviations. Also those companies are shown as affiliated and non-consolidated entities which, via FSE's consolidated group, are included in the FSE Financial Statements.

II. Basis of presentation

The financial statements of the VAMED group have been drawn up in accordance with the parent's guidelines (in particular as regards the application of IFRS, materiality thresholds, and the determination of the consolidated group) and for purposes of drawing up FSE's consolidated financial statements and are included into FSE's consolidated financial statements according to IFRS as the 'Fresenius Vamed' segment. In order to improve clarity of presentation, various items have been aggregated in VAMED's consolidated balance sheet and income statement. These items are analyzed separately in the Notes where this provides useful information to the users of VAMED's consolidated financial statements. The VAMED group's balance sheet contains the information required under IAS 1 (Presentation of Financial Statements) and presents assets and liabilities using a current/non-current classification. The consolidated statement of income is classified using the cost-of-sales accounting format.

III. Summary of significant accounting principles

a) Principles of consolidation

The financial statements of consolidated entities have been prepared using uniform accounting methods. Capital consolidation is performed by offsetting investments in subsidiaries against the underlying revalued equity at the date of acquisition. The assets and liabilities of subsidiaries, as well as non-controlling interests, are recognized at their fair values. In case of acquisitions within the group, the carrying amounts have been recognized. Any remaining debit balance is recognized as goodwill and is tested at least once a year for impairment.

All intercompany revenues, expenses, income, receivables and payables are eliminated.
In the year under review, no profits and losses on items of property, plant and equipment and inventory acquired from other group entities had to be eliminated. Deferred tax assets are recognized on temporary differences resulting from consolidation procedures.

Non-controlling interests comprise the interest of non-controlling shareholders in the consolidated equity of group entities. Profits and losses attributable to the non-controlling shareholders are separately disclosed in the income statement.

Companies that have not been included in VAMED's consolidated financial statements are valued at purchase cost less accumulated depreciation.

b) Composition of the Group

The consolidated financial statements of the group include VAMED AG as well as all material companies in which VAMED AG holds a direct or indirect majority interest, or a majority of voting rights, and may exercise control.

The consolidated financial statements of 2013 include VAMED AG and 20 (2012: 17) Austrian as well as 31 (2012: 17) foreign companies.

In the year under review, the composition of the group changed as follows:

First consolidation of the following companies in 2013

- API	API Charitable Operating Ltd., Vienna, Austria
- ROB GmbH	Rehabilitation Center Oberndorf Operating Ltd., Oberndorf, Austria
- ROB KG	Rehabilitation Center Oberndorf Operating GmbH & Co KG, Oberndorf, Austria
- HMT	HERMED Medical Technology Switzerland AG, Rapperswill-Jona, Switzerland
- CLP	Muscoloskeletal Therapy Center Ltd., Prague, Czech Republic
- MEL	Hospital Melnik Ltd., Mělnik, Czech Republic
- NSZ	Hospital of Saint Zdislava Ltd., Velké Meziříčí, Czech Republic
- VSB	VAMED Service and Holding Ltd., Berlin, Germany
- KLB	Hospital Logistics Berlin-Brandenburg-Lower Saxony Ltd., Bad Saarow, Germany
- KLS	Hospital Logistics Schleswig-Holstein Ltd., Damp, Germany
- KSB	Hospital Sterilization Berlin Ltd., Bad Saarow, Germany
- KSW	Hospital Sterilization Baden-Württemberg Ltd., Müllheim, Germany
- KSM	Hospital Service Mecklenburg-Vorpommern Ltd., Stralsund, Germany
- KTB	Hospital Technology Berlin-Brandenburg-Lower Saxony Ltd., Bad Saarow, Germany
- KTL	Hospital Technology Logistics Mecklenburg-Vorpommern Ltd., Schwerin, Germany
- KTN	Hospital Technology North Rhine-Westphalia Ltd., Bad Berleburg, Germany
- KTS	Hospital Technology Schleswig-Holstein Ltd., Damp, Germany
- KTT	KTT Hospital Technology Thuringia Ltd., Erfurt, Germany

Anton Proksch Institute (API Charitable Operating Ltd.) was acquired on March 28, 2013, and integrated into the consolidated group retrospectively as of January 1, 2013, as the acquirer, on the basis of contractual arrangements, has held a controlling interest as of January 1, 2013. The companies ROB GmbH, ROB KG, and HMT were consolidated in their first full year of operation.

NSZ was acquired on February 21, 2013, and consolidated retrospectively as at February 1, 2013, the date as of which the acquirer has held a controlling interest on a contractual basis.

CLP was acquired on July 1, 2013, and consolidated as of that date.

MEL was acquired on December 2, 2013, and integrated into the consolidated group as of December 1, 2013.

VSB was established in December 2012 and, as of January 1, 2013, took over ten service companies from the FSE Segment "Fresenius Helios". Therefore, VSB, together with its subsidiaries, was consolidated as of January 1, 2013.

In the year under review, V-NL (VAMED Nederland B.V., Arnheim, The Netherlands) was deconsolidated as it was no longer operating.

Special purpose entities (SPEs) are required to be consolidated if a company of the VAMED group exercises a controlling interest over an SPE (i.e., receives essentially all benefits and incurs all risks). Companies of the VAMED group participate in longer-term project companies set up for defined periods of time and for specific purposes, viz. the construction and operation of thermal spas. These project companies are SPEs, yet as VAMED does not exercise a controlling interest they have not been consolidated. In the year under review, the project companies turned over € 88 million (2012: € 86 million). These SPEs are mainly financed through debt, participation rights and investment grants. A complete list of investments of VAMED AG is given in detail in these Notes.

c) Classifications

The classification of the items in VAMED's consolidated financial statements is based on the presentation in the parent's consolidated financial statements under IFRS. Certain items in the consolidated financial statements of 2012 have been reclassified to conform to the presentation in 2013.

d) Sales recognition policy

Sales from services are recognized at amounts estimated to be received under reimbursement arrangements with third party payors. Sales from services are recognized on the date services and related products are provided and the payor is obligated to pay. Product sales are recognized when risks pass to the customers, either at the time of shipment, upon receipt by the customer or upon any other terms that clearly define passage of title. Sales are stated net of discounts, allowances and rebates.

Sales for long-term production contracts are recognized depending on the individual agreement and in accordance with the 'Completed Contract Method' (CCM) or, if requirements for its application are met, in accordance with the 'Percentage-of-Completion Method' (PoC) on the basis of a project's stage of completion. The sales to be recognized are calculated as a percentage of the costs already incurred based on the estimated total cost of the contract, or milestones laid down in the contract. Profits are only recognized when the outcome of a production contract accounted for using the PoC method can be measured reliably. Expected losses are recorded immediately as expenses.

e) Government grants

Public sector grants are generally not recognized until there is reasonable assurance that the respective conditions are met and the grants will be received. At first, the grant is recorded as a liability and offset against earnings over the useful life of the asset in line with depreciation.

f) Impairment

The VAMED group reviews the carrying amount of its property, plant and equipment, its intangible assets with definite useful lives as well as other non-current assets for impairment whenever events or changes in circumstances indicate that the carrying amount is higher than the asset's net realizable value or the value in use. The net realizable value of an asset is defined as its fair value less costs to sell. The value in use is the present value of future cash flows expected to be derived from the relevant assets. If it is not possible to estimate the future cash flows from the individual assets, impairment is tested on the basis of future cash flows of the smallest cash-generating units (CGUs).

If the reasons for impairment cease to exist, an adequate increase up to the assets' amortized costs of acquisition and production is effected, with the exception of goodwill write-downs.

Assets to be disposed of by sale are reported at the lower of carrying amount or fair value less cost to sell. For such assets, depreciation is ceased. In the year under review, no such assets are shown.

g) Capitalized Interest

The VAMED group includes capitalized interest on borrowed capital as part of the costs of the assets if they are directly attributable to the acquisition, construction or manufacture of qualifying assets. In the fiscal year 2013, no interest on borrowed capital was capitalized. In the previous period, interest in the amount of T€ 1,384, based on an average interest rate of 2.13 %, was recognized as a component of the cost of assets.

h) Income taxes

Current income taxes are determined on the basis of the financial results for the fiscal year as at the balance sheet date, taking into account the legal situation in the various countries. Expected or paid additional tax expenses and tax income for previous periods are also taken into consideration. Deferred tax assets and liabilities are recognized for the future consequences attributable to temporary differences between the group's financial statement carrying amounts of existing assets and liabilities and their respective tax basis. Furthermore, deferred taxes are recognized on consolidation procedures affecting net income.

Deferred tax assets also include claims to future tax reductions which arise from the expected usage of existing tax losses available for carryforward. The recoverability of deferred tax assets from tax loss carried over, and their usability, is assessed on the basis of the VAMED group's performance planning as well as tax strategies that can be practically implemented.

Deferred taxes are calculated using rates applicable for the period in which an asset is likely to be realized or a liability is likely to be redeemed. The tax rates used are those that have been enacted or published as at the balance sheet date.

The recoverability of the carrying amount of a deferred tax asset is reviewed at each balance sheet date. The carrying amount of a deferred tax asset is shown to the extent that it is probable that sufficient taxable profit will be available to utilize part or all of that deferred tax asset.

i) Cash and cash equivalents

Cash and cash equivalents comprise cash funds and short-term time deposits.

j) Trade accounts receivable

Trade accounts receivable are stated at their nominal value less allowance for doubtful accounts. Allowances are determined mainly on the basis of payment history to date, the age structure of balances, and all information available on the contract partners. In order to assess the appropriateness of allowances, the VAMED group checks regularly whether there have been any divergences to previous payment history.

k) Inventories

Inventories comprise all assets which are held for sale in the normal course of business (finished products), in the process of production for such sale (work in progress, incl. long-term production contracts and services not yet invoiced) or consumed in the production process or in the rendering of services (raw materials and supplies).

As regards raw materials and supplies, merchandise, and CCM-valued work not yet invoiced, inventories are stated at the lower of acquisition or manufacturing cost (determined by using the average cost or first-in, first-out method) or net realizable value. As regards PoC-valued work that can not yet be invoiced, valuation is effected on the basis of acquisition or manufacturing cost plus overheads and share of profit or loss equal to the degree of completion.

l) Property, plant and equipment

Property, plant and equipment are stated at acquisition and manufacturing cost less accumulated depreciation. Ongoing maintenance and repair expenses are immediately recognized as expenses. The costs for the replacement of components and the general overhaul of property, plant and equipment are capitalized provided it is probable that future economic benefits are generated for the VAMED group and the costs can be measured reliably. Depreciation on property, plant and equipment is calculated using the straight-line method over the estimated useful lives of the assets, ranging from 4 to 50 years for buildings and improvements and 2 to 23 years for technical plants, machinery and equipment.

m) Intangible assets with definite useful lives
In the VAMED group, intangible assets with definite useful lives resulting from consolidation, as for instance customer relations, are amortized using the straight-line method over the remaining useful lives of the assets (usually 4 to 6 years) and reviewed for impairment. All other intangible assets are amortized over their individual estimated useful lives between 1 and 15 years.

Impairment losses are recognized in the event of losses in value of a lasting nature. Should the reasons for impairment no longer apply, the impairment losses are reversed up to the amount of the amortized costs of acquisition and production.

n) Goodwill and other intangible assets with indefinite useful lives
The VAMED group identifies intangible assets with indefinite useful lives if, based on an analysis of all the relevant factors, there is no foreseeable limit to the period over which those assets are expected to generate net cash inflows for the group. The identified intangible assets with indefinite useful lives, such as trade names or certain management contracts acquired in connection with M&As, are recognized and reported apart from goodwill. They are recorded at acquisition costs. Goodwill and intangible assets with indefinite useful lives are not amortized but tested for impairment annually or when an event becomes known that could trigger an impairment (impairment test). To perform the annual impairment test of goodwill, the VAMED group identified smallest cash-generating units (CGUs) and determined the carrying amount of each CGU by assigning to it the assets and liabilities, including the existing goodwill and intangible assets. As a rule, a CGU is determined to be one level below division level in line with operative control ('management approach').

At least once a year, the fair value of each CGU is compared to its carrying amount. The fair value of a CGU is determined using a discounted cash flow approach based upon the cash flow expected to be generated by such CGU. In case the value in use of the CGU is less than its carrying amount, the difference is at first recorded as an impairment of the fair value of such CGU's goodwill.

For the goodwill of the 'Fresenius Vamed' segment shown in the financial statements of the VAMED group as determined by the parent company, impairment tests are carried out for the CGUs 'Project Business' and 'Service Business'. Impairment tests of all other goodwills are performed at lead company level.

To evaluate the recoverability of separable intangible assets with indefinite useful lives, the VAMED group compares the fair values of these intangible assets with their carrying amounts. An intangible asset's fair value is determined using a discounted cash flow approach and other methods, if appropriate.

The recoverability of goodwill and other separable intangible assets with indefinite useful lives recorded in VAMED's consolidated balance sheet was verified. As a result, the VAMED group did not record any goodwill impairment losses in 2013 and 2012.

A negative difference, if any, resulting from the purchase price allocation (lucky buy), after reviewing the value approach, is immediately recognized in profit or loss.

Apart from goodwill, no other intangible assets with indefinite useful lives are shown.

o) Leasing
Leased assets assigned to the VAMED group based on the risk and rewards approach (finance leases) are recognized as property, plant and equipment and measured on receipt date at their fair values, as long as the present values of lease payments are not lower. Leased assets are depreciated in straight-line over their useful lives. If there is doubt as to whether title to the leased asset passes at a later stage and there is no advantageous purchase option, the asset is depreciated over the contractual lease term, if this is shorter.

An impairment loss is recognized if the recoverable amount is lower than the amortized cost of the leased asset. Should the reasons for impairments no longer apply, adequate increases are effected. Finance lease liabilities are measured at the present value of the future lease payments and are recognized as financial liability.

p) Financial Instruments
A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The VAMED group categorizes its financial instruments as follows: Cash and cash equivalents, assets recognized at amortized costs, liabilities recognized at repayment amounts, derivatives designated as hedging instruments, as well as assets at market value and liabilities at market value. Within the VAMED group, other categories of financial instruments exist to an insignificant extent only or not at all.

Derivative financial instruments (foreign currency forward contracts) are recognized in the balance sheet as assets or liabilities at fair value. Changes in the fair value of derivative financial instruments classified as fair value hedges and in the corresponding underlyings are recognized periodically in earnings. The effective portion of changes in fair value of financial instruments classified as cash flow hedges is recognized in shareholders' equity (Accumulated Other Comprehensive Income (Loss)) until the secured underlying transaction is realized (see Note 30, Financial Instruments). The non-effective portion of cash flow hedges is recognized in earnings immediately. Changes in the fair value of derivatives with regard to which no hedge accounting is applied are recognized periodically in earnings.

q) Liabilities
Liabilities are generally stated at amortized costs as at the balance sheet date, which normally corresponds with their repayment amount.

r) Legal contingencies
In the ordinary course of VAMED group's operations, the VAMED group is subject to legal disputes and procedures relating to various aspects of its business. The VAMED group regularly analyzes current information about such claims for probable losses and provides accruals for such matters, including estimated expenses for legal services, as appropriate. The VAMED group utilizes its internal legal department as well as external resources for these assessments. In making the decision regarding the need for a loss accrual, the VAMED group considers the degree of probability of an unfavorable outcome and its ability to make a reasonable estimate of the amount of loss.

s) Other accrued expenses
Accruals for taxes and other obligations are recognized when there is a present obligation to a third party arising from past events, it is probable that the obligation will be settled in the future, and the amount can be reliably estimated. Tax accruals include obligations for the current year and for prior years.

t) Pension liabilities and similar obligations
The actuarial valuation of pension liabilities is effected in accordance with the accumulated benefits obligations approach for post-employment benefit obligations (projected unit credit method), taking future wage, salary and pension increase rates into account. The VAMED group uses December 31, 2013, as the measurement date in determining the funded status of all plans.

In accordance with the new standard (IAS 19R), net interest expense (net interest income) is determined by multiplying the net defined benefit liability (net asset) by the discount rate used to determine the gross defined benefit obligation at the beginning of the period.

All revaluation effects are immediately shown under Other Comprehensive Income (Loss) and not recognized in profit or loss in subsequent periods. All other components of the net pension expense are recognized in profit or loss for the period.

u) Stock option plans
The total value of FSE stock options and convertible bonds, as at the day of issue, granted to members of the VAMED group's Executive Board and to the VAMED group's staff, is amortized over the blocking period using values determined in accordance with financial mathematics models.

v) Foreign currency translation
The reporting currency is the euro. Substantially, all assets and liabilities of the foreign subsidiaries are translated at the exchange rate on the balance sheet date, while revenues and expenses are translated at average exchange rates. Adjustments due to foreign currency translation fluctuations are excluded from net earnings and are reported in Accumulated Other Comprehensive Income (Loss).

Gains and losses arising from the translation of foreign currency positions, as far as these are not considered foreign equity instruments, are recorded as 'Other Expenses' or 'Other Income'. In the year under review, the VAMED group recognized T€ 807 (previous period: T€ 575) as other expenses and T€ 1,113 (previous period: T€ 434) as other income.

The exchange rates of the main currencies affecting foreign currency translation developed as follows:

	Year-end exchange rate		Average exchange rate	
	Dec. 31, 2013	Dec. 31, 2012	2013	2012
AED (United Arab Emirates dirham) per €	5.065	4.846	4.878	4.719
CHF (Swiss franc) per €	1.228	1.207	1.231	1.205
CZK (Czech crown) per €	27.425	25.140	25.978	25.146
MYR (Malaysian ringgit) per €	4.522	4.035	4.186	3.967
RUB (Russian ruble) per €	45.325	40.330	42.337	39.926
TTD (Trinidad and Tobago dollar) per €	8.708	8.391	8.364	8.219
USD (US dollar) per €	1.379	1.319	1.328	1.285

w) Fair value hierarchy
The three-tier fair value hierarchy according to IFRS 7, Financial Instruments Disclosures, classifies assets and liabilities recognized at fair value based on the inputs used in determining the fair value. Level 1 is defined as observable inputs, such as prices quoted in active markets.
Level 2 is defined as inputs other than prices quoted in active markets that are directly or indirectly observable.
Level 3 is defined as unobservable inputs for which little or no market data exist, therefore requiring the company to develop its own assumptions.

x) Use of estimates
The preparation of the VAMED group's consolidated financial statements in conformity with IFRS requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the balance sheet date, and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates.

y) Receivables management
The entities of the VAMED group perform ongoing evaluations of the financial situation of their customers and in the vast majority of cases require collateral, in the form of down payments, letters of credit, or bank guarantees, from the customers in particular when they place construction orders.

z) Recent pronouncements
The year under review is based on IFRS as mandatorily required or voluntarily applied earlier for fiscal years starting on January 1, 2013. As far as these are relevant for the VAMED group's business, the following standards were applied for the first time in 2013:

- Disclosures – Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32 and IFRS 7)
- IAS 19, Employee Benefits (amended version)
- Presentation of Items of Other Comprehensive Income (Amendments to IAS 1)
- IFRS 13, Fair Value Measurement

In December 2011, the IASB issued Disclosures – Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32 and IFRS 7). These amendments to IAS 32 clarify some conditions under which financial assets and liabilities may be offset in the balance sheet. These IFRS 7 amendments require disclosing gross and net amounts for financial instruments that are offset in the balance sheet, and amounts for financial instruments that are subject to master netting agreements and other similar clearing agreements.

The amended version of IAS 32 is effective for annual reporting periods on or after January 1, 2014, and interim periods within those annual periods. The VAMED group will apply the amended version of IAS 32 as of January 1, 2014. The amended version of IAS 7 is effective for annual reporting periods on or after January 1, 2013, and interim periods within those annual periods. The clarification as published had no effects on the Consolidated Financial Statements of the VAMED group.

In June 2011, the IASB issued an amended version of IAS 19, Employee Benefits. Among other changes, this version eliminates the corridor approach to account for actuarial gains and losses and requires recognizing them directly in Other Comprehensive Income (OCI) without recycling to the income statement in subsequent periods and stipulates that plan assets shall be discounted, using the rate applicable at the beginning of the period, instead of calculating their expected return. Moreover, several new disclosures are required. The amended version of IAS 19 is effective retrospectively for fiscal years beginning on or after January 1, 2013, with a few simplifications to retrospective implementation. Earlier adoption is permitted. The VAMED group applies the amended version of IAS 19 as of January 1, 2013.

In June 2011, the IASB issued Presentation of Items of Other Comprehensive Income (Amendments to IAS 1). According to the amendments, the statement of comprehensive income shall present items of OCI that can be reclassified to profit and loss separately from items that cannot be reclassified. Tax shall be allocated to each of these two groups if OCI items are presented before tax. The amended version of IAS 1 is effective retrospectively for fiscal years beginning on or after July 1, 2012. Earlier adoption is permitted. The VAMED group applies the amended version of IAS 1 as of January 1, 2013.

In May 2011, the IASB issued IFRS 13, Fair Value Measurement. The standard defines fair value as an exit price in a transaction between market participants at the measurement date and enhances disclosures related to fair value measurements. In addition, IFRS 13 gives guidance on performing fair value measurements required by other IFRS. IFRS 13 therefore increases convergence with the U.S. GAAP guidance in the field of fair value measurements. IFRS 13 is effective for fiscal years beginning on or after January 1, 2013; an earlier adoption is permitted. The VAMED group applies IFRS 13 as of January 1, 2013. There were no significant effects on the Consolidated Financial Statements of the VAMED group.

aa) Recent pronouncements not yet applied
The International Accounting Standards Board (IASB) issued the following new standards and interpretations relevant for the VAMED group that are applicable at the earliest for fiscal years starting on or after January 1, 2014:
- Novation of Derivatives and Continuation of Hedge Accounting (Amendments to IAS 39)
- Recoverable Amount Disclosures for Non-Financial Assets (Amendments to IAS 36)
- Mandatory Effective Date and Transition Disclosures (Amendments to IFRS 9 and IFRS 7)
- IFRS 10, Consolidated Financial Statements
- IFRS 11, Joint Arrangements
- IAS 28, Investments in Associates and Joint Ventures (amended version)
- IFRS 12, Disclosure of Interests in Other Entities
- IFRS 9, Financial Instruments

In June 2013, the IASB issued Novation of Derivatives and Continuation of Hedge Accounting (Amendments to IAS 39). As a result of the amendments to IAS 39, the novation of a hedging instrument to a central counterparty, as a result of legal or regulatory requirements, does not cause an existing hedging relationship to discontinue if specific conditions are met. IAS 39 amendments are effective for fiscal years beginning on or after January 1, 2014; an earlier adoption is permitted. The VAMED group is currently not expecting any effects on the Consolidated Financial Statements.

In May 2013, IASB issued Recoverable Amount Disclosures for Non-Financial Assets (Amendments to IAS 36). In line with these amendments, disclosure of the recoverable amount, if such amount is based on the carrying amount less costs to sell, is required only for impaired assets or cash-generating units. IAS 36 amendments are effective for fiscal years beginning on or after January 1, 2014; an earlier adoption is permitted. The VAMED group is currently not expecting any effects on the Consolidated Financial Statements.

In December 2011, IASB issued Mandatory Effective Date and Transition Disclosures (Amendments to IFRS 9 and IFRS 7). The IFRS 9 amendments postpone the compulsory IFRS 9 adoption date from January 1, 2013, to January 1, 2015. Earlier adoption is permitted. The IFRS 7 amendments exempt companies from the obligation to adjust the figures of the previous fiscal year. Instead, additional disclosures may be made in the Notes. The VAMED group will take account of these guidelines upon the first application of IFRS 9.

In May 2011, the IASB issued IFRS 10, Consolidated Financial Statements, and modified the relevant transitional provisions in June 2012. The new standard provides one single definition of 'control'. The new standard replaces the previously relevant consolidation guidance in IAS 27 (2008), Consolidated and Separate Financial Statements and SIC-12, Consolidation - Special Purpose Entities. According to IFRS 10, an entity (subsidiary) is controlled by an investor who is exposed to or has rights to variable returns from the involvement with the entity (subsidiary) when the investor has existing rights that give it the ability to direct the activities that significantly affect the investee's returns. In accordance with IASB guidance, IFRS 10 is effective retrospectively for fiscal years beginning on or after January 1, 2013; an earlier adoption is permitted only concurrently with IFRS 11, IFRS 12 and IAS 28 (as amended in 2011).

Under EU law, the date as of when first application becomes mandatory was postponed to January 1, 2014. The VAMED group will apply IFRS 10 as of January 1, 2014. The VAMED group is currently not expecting any effects on the Consolidated Financial Statements.

In May 2011, the IASB issued IFRS 11, Joint Arrangements, and modified the relevant transitional provisions in June 2012. The standard defines and regulates the accounting of arrangements under common control (joint arrangements). The new standard replaces the guidance on accounting for joint ventures previously included in IAS 31, Interest in Joint Ventures, and SIC-13, Jointly Controlled Entities - Non-Monetary Contributions by Venturers. Joint arrangements as defined under IFRS 11 are arrangements for which two or more parties have contractually agreed joint control. Joint control exists if decisions about relevant activities must be taken unanimously by all parties. Moreover, IFRS 11 classifies joint arrangements in joint operations and joint ventures and gives guidance on how to account for both types. Parties to a joint operation have rights to the assets and obligations for the liabilities of the arrangement and shall include them in their consolidated financial statements proportionately to their interest. Parties to a joint venture have a right to the net position (asset or liability) of the arrangement and the arrangement shall be accounted for following the equity method.
The option to consolidate using the proportionate method of accounting has been eliminated. In accordance with IASB guidance, IFRS 11 is effective retrospectively for fiscal years beginning on or after January 1, 2013; an earlier adoption is permitted only concurrently with IFRS 10, IFRS 12 and IAS 28 (as amended in 2011). Under EU law, the date as of when first application becomes mandatory was postponed to January 1, 2014. The VAMED group will apply IFRS 11 as of January 1, 2014. The VAMED group is currently not expecting any effects on the Consolidated Financial Statements.

In May 2011, the IASB issued an amended version of IAS 28, Investments in Associates and Joint Ventures. This version stipulates that joint ventures as described in IFRS 11, Joint Arrangements, shall be accounted for following the equity method guidance in IAS 28. In accordance with IASB guidance, the revised IAS 28 is effective retrospectively for fiscal years beginning on or after January 1, 2013; an earlier adoption is permitted only concurrently with IFRS 10, IFRS 11 and IFRS 12. Under EU law, the date as of when first application becomes mandatory was postponed to January 1, 2014. The VAMED group will apply the amended version of IAS 28 as of January 1, 2014. The VAMED group is currently not expecting any effects on the Consolidated Financial Statements.

In May 2011, the IASB issued IFRS 12, Disclosure of Interests in Other Entities, and modified the relevant transitional provisions in June 2012. The standard gathers all disclosure requirements for interests held in other entities, including joint arrangements. In accordance with IASB guidance, IFRS 12 is effective retrospectively for fiscal years beginning on or after January 1, 2013; an earlier adoption is permitted only concurrently with IFRS 10, IFRS 11 and IAS 28 (as amended in 2011). Under EU law, the date as of when first application becomes mandatory was postponed to January 1, 2014. The VAMED group will apply IFRS 12 as of January 1, 2014. The VAMED group is currently looking into effects on the Consolidated Financial Statements.

In October 2010, the IASB issued additions to IFRS 9, Financial Instruments for the accounting of financial liabilities. These additions complete the classification and measurement of financial instruments phase of the project to replace IAS 39, Financial Instruments: Recognition and Measurement. The new guidance requires entities that choose to measure financial liabilities at fair value to generally present changes in the entity's own credit risk in Other Comprehensive Income (Loss). Other current accounting guidance for financial liabilities has been maintained.

In November 2009, the IASB issued IFRS 9, Financial Instruments for the Accounting of Financial Assets, which replaces the IAS 39 financial asset categories with two categories. Financial instruments that have basic loan features and are managed on a contractual yield basis, must be measured at amortized cost. All other financial instruments are measured at fair value through the Income Statement. Changes in value of strategic investment in equity instruments can be presented as Other Comprehensive Income (Loss).

In November 2013, IASB issued amendments to IFRS 9, Financial Instruments, that include a new general hedge accounting model that will afford greater flexibility to entities in presenting their risk management activities. Moreover, recognizing fair value changes due to credit rating of liabilities within equity will be possible to be earlier adopted without applying the complete regulations of IFRS 9. Also IASB suspended January 1, 2015, as the mandatory first application date provided so far by IFRS 9. A new first application date will be fixed once the standard development process has almost been completed. The VAMED group is currently looking into effects on the Consolidated Financial Statements.

The EU Commission's endorsement of IAS 19, of the amendments of IFRS 9 and IFRS 39, and the amendments of IAS 36 and IAS 39, are still outstanding. As a rule, the VAMED group does not apply reporting standards before their application has been made mandatory.

IV. Critical accounting policies

In the opinion of the Management of the VAMED group, the following accounting policies and topics are critical for the consolidated financial statements in the present economic environment. The influences and judgments as well as the uncertainties which affect them are also important factors to be considered when looking at present and future operating earnings of the VAMED group.

a) Recoverability of goodwill and intangible assets with indefinite useful lives

The amount of intangible assets, including goodwill and trade names, represents a considerable part of the total assets of the VAMED group. As at December 31, 2013, and December 31, 2012, the carrying amounts of these items were € 85.2 million and € 77.3 million, respectively. This represented 11.7% and 11.4% of the balance sheet total and 32.4% and 32.2% of equity. Impairment tests of goodwill and non-amortizable intangible assets with indefinite useful lives are performed at least once a year, or if events occur or circumstances change that would indicate the carrying amount might be impaired. To determine possible impairments of these assets, the fair value of the CGUs is compared to their carrying amounts. The fair value of each CGU is determined using estimated future cash flows for the unit, discounted by a weighted average cost of capital (WACC). Determining the discounted future cash flows involves significant assumptions, especially regarding future sales prices, quantities sold, and costs. In determining discounted cash flows, the VAMED group utilizes for every reporting unit its three-year budget,

projections for years four to ten, and a corresponding growth rate for all remaining years. These growth rates are assumed to be about 1.0% at an unchanged 25% income tax burden. In the VAMED group, WACC (after income tax) is 5.26%. Country-specific adjustments did not occur. In case the value in use of the CGU is less than its carrying amount, the difference is at first recorded as an impairment of the fair value of such CGU's goodwill. An increase of the WACC by 0.5% would not have resulted in the recognition of an impairment loss in the year under review.
A prolonged downturn in the health care industry with sales prices below expectations and/or the costs of the provisions of services and the implementation of construction projects exceeding expectations could adversely affect the VAMED group's estimation of future cash flows in specific sectors. Future adverse changes in a reporting unit's economic environment could affect the discount rate. A possible consequence could be a negative influence of additional goodwill impairment losses on the VAMED group's future operating results.

b) Legal contingencies

The VAMED group is not involved in any litigation resulting from the ordinary course of its business, the outcome of which may have a material effect on the financial position, results of operations or cash flows of the VAMED group. See also "III. Summary of significant accounting principles, item r) Legal contingencies".

c) Allowance for doubtful accounts

Trade accounts receivable are a significant asset and the allowance for doubtful accounts is a significant estimate made by the Management. Trade accounts receivable, net of allowance, were € 148.0 million and € 180.0 million in 2013 and 2012, respectively.
The allowance for doubtful accounts was € 7.3 million and € 5.7 million as of December 31, 2013 and December 31, 2012, respectively.

2. Acquisitions and divestitures

In the year under review, the following companies were acquired and included in the consolidated group:

- API API Charitable Operating Ltd., Vienna, Austria
- CLP Muscoloskeletal Therapy Center Ltd., Prague, Czech Republic
- MEL Hospital Melnik Ltd., Mělnik, Czech Republic
- NSZ Hospital of Saint Zdislava Ltd., Velké Meziříčí, Czech Republic
- KLB Hospital Logistics Berlin-Brandenburg-Lower Saxony Ltd., Bad Saarow, Germany
- KLS Hospital Logistics Schleswig-Holstein Ltd., Damp, Germany
- KSB Hospital Sterilization Berlin Ltd., Bad Saarow, Germany
- KSW Hospital Sterilization Baden-Württemberg Ltd., Müllheim, Germany
- KSM Hospital Service Mecklenburg-Vorpommern Ltd., Stralsund, Germany
- KTB Hospital Technology Berlin-Brandenburg-Lower Saxony Ltd., Bad Saarow, Germany
- KTL Hospital Technology Logistics Mecklenburg-Vorpommern Ltd., Schwerin, Germany
- KTN Hospital Technology North Rhine-Westphalia Ltd., Bad Berleburg, Germany
- KTS Hospital Technology Schleswig-Holstein Ltd., Damp, Germany
- KTT KTT Hospital Technology Thuringia Ltd., Erfurt, Germany

The integration of these companies into the consolidated group had the following effects on sales, earnings and the balance sheet (in € million):

Sales	63.2
EBITDA	2.6
EBIT	1.9
Net interest	-0.3
Net income	0.6
Balance sheet total	**28.4**

In the year under review there were no disposals of consolidated companies.

NOTES ON THE INCOME STATEMENT

(all figures in T€, except for staff numbers)

3. Sales

Sales by divisions were as follows:

	2013	2012
Project business	583,127	506,124
Service business	437,293	340,310
Sales	**1,020,420**	**846,434**

Sales broken down by regions:

	2013	2012
Austria	414,271	320,975
Germany	128,041	114,132
Other European countries	227,937	192,769
Africa	116,627	58,195
Latin America	49,072	39,218
Asia	84,472	121,145
Sales	**1,020,420**	**846,434**

4. Cost of sales

Cost of sales comprised the following:

	2013	2012
Personnel	222,238	169,079
Material and third-party services, depreciation and amortization	667,387	553,986
Cost of sales	**889,625**	**723,065**

5. Personnel expenses

Cost of sales, selling and general administrative expenses included personnel expenses of T€ 266,929 and T€ 207,668 in 2013 and 2012, respectively.

	2013	2012
Wages and salaries	209,036	161,789
Social security contributions, cost of retirement benefits (incl. severance payments) and other personnel expenses	57,893	45,879
Personnel expenses	**266,929**	**207,668**

The VAMED group's annual average number of employees by function is shown below:

	2013	2012
Production and services	5,828	3,868
General administration	506	462
Sales and marketing	88	84
Total employees (heads)	**6,422**	**4,414**

6. Selling and general administrative expenses

Selling and general administrative expenses are broken down as follows:

	2013	2012
Selling expenses	25,531	27,398
General administrative expenses	52,298	47,013
Selling and general administrative expenses	**77,829**	**74,411**

7. Other expenses, other income

Other expenses mainly include effects of exchange rate changes and of the revaluation of guarantee obligations, money transfer costs and bank guarantee costs.

Other income mainly includes income from investments, gains from the sale of property, plant and equipment as well as intangible assets, exchange rate gains, income from insurance recovery payments, revaluation of guarantees and other operating income.

8. Interest income

Interest income results from investments in the parent companies FSE and FPS, lendings and loans to non-consolidated group companies, as well as interest on bank deposits.

9. Interest expenses

Interest expenses result from local and project-related interim financing and, vis-à-vis FSE and FPS, in connection with the acquisition of investments.

10. Income taxes

Income taxes were attributable to the following geographic regions:

	2013	2012
Austria	6,972	7,675
Germany	2,745	2,671
Other foreign countries	3,955	3,438
Total income taxes	**13,672**	**13,784**

Income tax expenses for the reporting years consisted of the following:

	2013			2012		
	Current tax	Deferred tax	Income taxes	Current tax	Deferred tax	Income taxes
Austria	5,649	1,322	6,972	5,212	2,463	7,675
Germany	3,767	-1,022	2,745	4,905	-2,234	2,671
Other foreign countries	4,892	-937	3,955	2,320	1,118	3,438
Total	**14,309**	**-637**	**13,672**	**12,437**	**1,347**	**13,784**

In the year under review, the corporate tax rate in Austria has remained unchanged against the previous year at 25%

A reconciliation between the expected and actual income tax expense is shown below.

The expected corporate income tax expense is computed by applying the Austrian corporation tax rate on income before income taxes and non-controlling interests.

	2013	2012
Computed 'expected' income tax expense	13,069	12,472
Increase (reduction) in income taxes resulting from:		
Items not recognized for tax purposes	1,258	1,004
Foreign tax rate differentials	-551	-102
Tax-free income	-690	-188
Taxes for previous years	1,537	-982
Other	-951	1,580
Income tax according to income statement	**13,672**	**13,784**
Effective tax rate	26.15%	27.63%

Deferred taxes

The tax effects of the temporary valuation differences that give rise to deferred tax assets and liabilities mainly result from the valuation of balance sheet items according to the PoC method (accounts receivable, inventories, and project-related accruals) and the valuation of social capital provisions.

As at the balance sheet date, deferred tax assets amount to T€ 8,425, deferred tax liabilities to T€ 16,579, resulting in net deferred tax liabilities of T€ 8,154. As at the balance sheet date, deferred tax assets from loss carryforwards are recognized in the amount of T€ 5,873. In the previous period, that amount was T€ 987. According to budget, the loss carryforwards meet the criteria for recognition and will be used up over the next five years.
VAMED AG and its subsidiaries are subject to tax audits on a regular basis.
In the year under review, six group companies were subject to tax audits; four of these audits were completed.

11. Attributable to non-controlling interests

Non-controlling interests are held in HCC, HSB, NFM, TAU, MED, API, HMT, and VSB; their profit shares are shown under non-controlling interests.

NOTES ON THE BALANCE SHEET

Notes on current assets (all figures in T€)

12. Cash and cash equivalents

As at December 31, 2013 and December 31, 2012, cash and cash equivalents did not include restricted items.

13. Trade accounts receivable

As at December 31, trade accounts receivable were as follows:

	2013			2012		
	Short-term	Long-term	Total	Short-term	Long-term	Total
Trade accounts receivable	144,276	11,009	155,285	179,021	6,661	185,682
Less allowance for doubtful accounts	-6,676	-668	-7,344	-4,999	-703	-5,703
Trade accounts receivable, net	**137,600**	**10,341**	**147,941**	**174,022**	**5,958**	**179,980**

Accounts receivable of T€ 147,941 include T€ 2,971 (previous period: T€ 3,603) related to Libyan projects. As to their recoverability, see Note 15. Inventories.

14. Accounts receivable from and loans to related parties

As at December 31, these receivables were as follows:

	2013	2012
Trade accounts receivable	8,714	8,844
Receivables from financing and other clearing	31,977	29,456
Accounts receivable from and loans to related parties	**40,691**	**38,300**

As at December 31, 2013, and December 31, 2012, this item included receivables from the group companies FPS and FSE, and the segments Fresenius Medical Care, Kabi, and Helios, in the amount of T€ 31,343 and T€ 28,934, respectively.

15. Inventories

As of December 31, inventories consisted of the following:

	2013	2012
Raw materials and purchased components	1,377	1,520
Services not yet invoiced valued acc. to CCM	43,355	32,172
valued acc. to PoC	88,226	59,895
Finished goods	2,086	1,743
Inventories	**135,044**	**95,330**

Advance payments from customers that could be directly allocated to individual projects were offset against the gross amount of services not yet invoiced.

As at December 31, 2013, and December 31, 2012, advance payment offset amounts totaled T€ 247,951 and T€ 173,780, respectively.

Total inventories, amounting to T€ 135,044, include T€ 22,405 for Libyan projects. As regards these Libyan projects, Restart Agreements for two existing projects were signed with the Libyan customer in the fiscal year 2012. For one further long-term project, two letters of credit, in the amounts of T€ 3,009 and T€ 2,407, were issued in 2013 and paid in full. The Management thus assumes the continued implementation of orders and therefore the recoverability of both inventories and accounts receivable.

The companies of the VAMED group are obliged to purchase T€ 20,539 of goods and services on fixed terms, of which, on December 31, T€ 18,112 was committed for purchases for 2014. The terms of these agreements do not exceed five years. VAMED's purchase obligations that are matched by same-size purchase obligations on the customers' party are not shown.

VAMED also has contingent purchase obligations vis-à-vis suppliers in connection with construction projects the fulfilling of which is linked to the implementation of projects with final customers so that these amounts are not shown.

16. Prepaid expenses and other current and non-current assets

As at December 31, prepaid expenses and other current and non-current assets comprised the following:

	2013			2012		
	Short-term	Long-term	Total	Short-term	Long-term	Total
Prepayments	22,165	91	22,256	34,713	1,021	35,734
Receivables from fiscal authorities	7,525	9	7,534	15,260	50	15,310
Interest receivable	2	0	2	26	0	26
Prepaid expenses	6,635	15,329	21,964	7,047	16,102	23,149
Derivative financial instruments	22	0	22	47	0	47
Investments and long-term loans	0	70,076	70,076	0	57,097	57,097
Other assets	14,767	13,932	28,699	14,750	13,224	27,974
Prepaid expenses and other assets, gross	**51,116**	**99,437**	**150,553**	**71,843**	**87,494**	**159,337**
Less allowances	-295	0	-295	-136	0	-136
Prepaid expenses and other current and non-current assets	**50,821**	**99,437**	**150,258**	**71,707**	**87,494**	**159,201**

The item 'Investments and long-term loans' includes investments in non-consolidated companies (in accordance with the List of Investments) as well as long-term loans to non-consolidated companies.

Depreciations on these assets in the amount of T€ 225 and T€ 5 were recognized in the fiscal years 2013 and 2012, respectively.

'Other non-current assets' also includes the long-term part of accounts receivable in the amount of T€ 10,341 (previous period: T€ 5,958).

Notes on non-current assets (all figures in T€)

17. Property, plant and equipment

As at December 31, 2013, and December 31, 2012, the acquisition and manufacturing costs as well as accumulated depreciation of property, plant and equipment consisted of the following:

Acquisition and manufacturing costs	As at January 1, 2013	Changes in entities consolidated	Additions/ Transfers	Disposals	Foreign currency translation	As at December 31, 2013
Land and land facilities	775	1,282	11	0	-16	**2,052**
Buildings and improvements	27,275	5,938	5,645	-371	-461	**38,025**
Machinery, equipment and rental equipment under capital leases	48,650	3,237	6,085	-3,089	-1,202	**53,681**
Construction in progress	2,920	733	-2,056	-34	-339	**1,224**
Total	**79,619**	**11,189**	**9,685**	**-3,494**	**-2,018**	**94,981**

Depreciation and amortization	As at January 1, 2013	Changes in entities consolidated	Additions/ Transfers	Disposals	Foreign currency translation	As at December 31, 2013
Land and land facilities	0	0	0	0	0	**0**
Buildings and improvements	13,139	51	1,595	-318	-48	**14,418**
Machinery, equipment and rental equipment under capital leases	32,397	168	5,497	-3,012	-504	**34,546**
Construction in progress	0	0	0	0	0	**0**
Total	**45,536**	**219**	**7,091**	**-3,330**	**-552**	**48,965**

Acquisition and manufacturing costs	As at January 1, 2012	Changes in entities consolidated	Additions/ Transfers	Disposals	Foreign currency translation	As at December 31, 2012
Land and land facilities	773	0	0	0	2	**775**
Buildings and improvements	25,169	609	2,700	-1,314	111	**27,275**
Machinery, equipment and rental equipment under capital leases	40,942	4,859	5,052	-2,558	356	**48,650**
Construction in progress	1,694	0	1,593	0	-367	**2,920**
Total	**68,577**	**5,469**	**9,345**	**-3,873**	**102**	**79,619**

Depreciation and amortization	As at January 1, 2012	Changes in entities consolidated	Additions/ Transfers	Disposals	Foreign currency translation	As at December 31, 2012
Land and land facilities	0	0	0	0	0	0
Buildings and improvements	13,381	145	832	-1,240	21	**13,139**
Machinery, equipment and rental equipment under capital leases	26,901	3,209	4,622	-2,475	140	**32,397**
Construction in progress	0	0	0	0	0	**0**
Total	**40,282**	**3,354**	**5,454**	**-3,715**	**162**	**45,536**

Carrying amounts	December 31, 2013	December 31, 2012
Land and land facilities	2,052	775
Buildings and improvements	23,606	14,136
Machinery, equipment and rental equipment under capital leases	19,135	16,253
Construction in progress	1,224	2,920
Total	**46,016**	**34,083**

Depreciation and amortization are allocated within cost of sales, selling and general administrative expenses, depending upon the area in which the asset is used.

Leasing

'Machinery, equipment and rental equipment under capital leases' includes amounts for leased movable assets and for buildings. As at December 31, 2013, and December 31, 2012, the carrying amounts of these items were T€ 2,816 and T€ 3,077, respectively.

18. Goodwill and other intangible assets

As at December 31, 2013, and December 31, 2012, the acquisition and manufacturing costs as well as accumulated amortization of intangible assets consisted of the following:

Acquisition and manufacturing costs	As at January 1, 2013	Changes in entities consolidated	Additions/ Transfers	Disposals	Foreign currency translation	As at December 31, 2013
Goodwill (non-regular amortization)	77,904	7,901	0	0	0	**85,805**
Other (regular amortization)	20,201	661	1,694	-1,178	-61	**21,317**
Total	**98,105**	**8,562**	**1,694**	**-1,178**	**-61**	**107,122**

Depreciation and amortization	As at January 1, 2013	Changes in entities consolidated	Additions/ Transfers	Disposals	Foreign currency translation	As at December 31, 2013
Goodwill (non-regular amortization)	625	0	0	0	0	**625**
Other (regular amortization)	13,657	166	3,000	-1,178	-35	**15,610**
Total	**14,282**	**166**	**3,000**	**-1,178**	**-35**	**16,235**

Acquisition and manufacturing costs	As at January 1, 2012	Changes in entities consolidated	Additions/ Transfers	Disposals	Foreign currency translation	As at December 31, 2012
Goodwill (non-regular amortization)	48,730	29,174	0	0	0	**77,904**
Other (regular amortization)	13,598	4,699	2,322	-435	17	**20,201**
Total	**62,328**	**33,873**	**2,322**	**-435**	**17**	**98,105**

Depreciation and amortization	As at January 1, 2012	Changes in entities consolidated	Additions/ Transfers	Disposals	Foreign currency translation	As at December 31, 2012
Goodwill (non-regular amortization)	625	0	0	0	0	**625**
Other (regular amortization)	9,545	1,411	3,121	-431	10	**13,657**
Total	**10,171**	**1,411**	**3,121**	**-431**	**10**	**14,282**

Carrying amounts	December 31, 2013	December 31, 2012
Goodwill (non-regular amortization)	85,180	77,279
Other (regular amortization)	5,707	6,544
Total	**90,887**	**83,823**

19. Other non-current assets

This item mainly shows interests in non-consolidated companies as well as loans to non-consolidated investments and non-current prepaid expenses. As for a breakdown, see Note 16.

20. Trade accounts payable

Trade accounts payable are mainly project business related.

21. Accounts payable to related parties

Accounts payable include amounts payable to consolidated FSE companies of T€ 875 (previous period: T€ 80) and to non-consolidated companies of T€ 694 (previous period: T€ 220).

22. Accrued expenses

As at December 31, short and long-term accruals consisted of the following:

			2013			2012
	Short-term	Long-term	Total	Short-term	Long-term	Total
Personnel expenses	18,145	28,567	46,712	16,295	25,331[1]	41,626[1]
Warranty	713	80	793	479	80	560
Invoices outstanding	48,043	4,190	52,233	63,943	3,848	67,790
Other accrued expenses	12,921	1,017	13,939	7,805	935	8,740
Accrued expenses	**79,822**	**33,854**	**113,677**	**88,522**	**30,194**	**118,716**

[1] Previous year's figures have been adjusted; see "III. Summary of significant accounting principles, items c) and t)"

The following table shows the development of accrued expenses in the fiscal year:

	As at January 1, 2013	Changes in entities consolidated	Additions	Transfer	Consumption	Dissolution	As at December 31, 2013
Personnel expenses	41,626	2,150	12,628	0	-8,785	-907	46,712
Warranty	560	0	663	0	-122	-307	793
Invoices outstanding	67,790	751	44,053	108	-56,689	-3,780	52,233
Other accrued expenses	8,740	1,474	10,398	-108	-4,537	-2,029	13,939
Accrued expenses	**118,716**	**4,375**	**67,742**	**0**	**-70,133**	**-7,023**	**113,677**

Accruals for personnel expenses mainly refer to bonuses, severance payments, anniversary bonuses, holidays not yet taken and obligations to make additional contributions to pension funds.

Warranty-related accruals refer to warranty claims under construction and service projects.

Accruals for invoices not yet paid mainly refer to suppliers' services already provided but not yet invoiced.

Other accrued expenses comprise auditing and consultation services, interest, and other non-project-related expenditure.

23. Other liabilities and advance payments received

As at December 31, other liabilities and advance payments received consisted of the following:

	2013			2012		
	Short-term	Long-term	Total	Short-term	Long-term	Total
Social-security-related liabilities	4,735	0	4,735	5,018	0	5,018
Personnel liabilities	1,997	82	2,079	1,348	36	1,385
Tax liabilities	17,045	0	17,045	15,191	281	15,472
Non-current trade accounts payable	0	4,444	4,444	0	3,793	3,793
Deferred income	5,171	1,099	6,270	4,955	6,499	11,453
Derivative financial instruments	132	0	132	106	0	106
Miscellaneous other liabilities	11,335	4,065	15,400	6,159	4,336	10,495
Other liabilities	**40,415**	**9,690**	**50,105**	**32,777**	**14,945**	**47,722**
Advance payments received	**24,344**	**582**	**24,926**	**54,683**	**841**	**55,524**

24. Debt and liabilities from capital lease obligations

a) Short-term borrowings from third parties

These borrowings refer to short-term interim financing.

b) Long-term debt and liabilities from capital lease obligations

As at December 31, long-term debt and liabilities from capital lease obligations consisted of the following:

	2013			2012		
	Short-term	Long-term	Total	Short-term	Long-term	Total
Long-term borrowings	874	2,656	3,530	745	1,895	2,640
Lease obligations	193	605	798	72	561	633
Long-term debt and liabilities from capital lease obligations	**1,067**	**3,261**	**4,328**	**817**	**2,456**	**3,273**

c) Short-term and long-term borrowings from related parties

This item shows short-term and long-term borrowings from FPS.

25. Short-term accruals for income taxes

This item shows expected tax liabilities (less prepayments effected).

26. Pensions and similar obligations

Defined benefit obligations have largely been transferred to pension funds. Benefit claims (pension) are contingent on period of service and compensation received. Accrued amounts refer to active beneficiaries as well as former employees and dependents.

In addition to defined benefit plans there are also defined contribution plans, with regard to which payments (dependent on employees' own contributions) are effected to pension funds. For defined contribution plans there are no liabilities exceeding continuous contribution payments so that no accruals or liabilities are shown.

External experts are in charge of determining accrued amounts (for companies in Austria this is done by Mercer (Austria) GmbH on the basis of the 'AVOE 2008 - Employees' mortality tables).

The following table shows the changes in benefit obligations, the changes in plan assets and the funded status of the pension plans. Benefits paid as shown in the changes in benefit obligations represent payments made from both the funded and unfunded plans, while the benefits paid as shown in the changes in plan assets include only benefit payments from VAMED group's funded benefit plans.

	2013	2012
Benefit obligations at the beginning of the year	**38,283**	**19,252**
Changes in entities consolidated	2,425	11,572
Foreign currency translation	-287	20
Service cost	1,363	853
Prior service cost	0	-211
Interest cost	1,281	1,490
Contributions by plan participants	716	551
Transfer	3,248	0
Revaluation gains (-) and losses (+)	2,183	6,574
Thereof adjustments according to experience	29	557
Thereof changes in financial assumptions	2,154	0[2]
Benefits paid	-2,031	-1,806
Amendments	0	-12
Benefit obligations at the end of the year	**47,181**	**38,283**
Thereof vested	36,057	31,073
Fair value of plan assets at the beginning of the year	**25,489**	**12,593**
Changes in entities consolidated	34	11,359
Foreign currency translation	-230	23
Interest income arising from plan asset	695	577[1]
Revaluation gains (+) and losses (-)	639	826[1]
Contributions by the employer	1,726	1,311
Contributions by plan participants	716	551
Transfer	2,676	0
Benefits paid	-1,886	-1,751
Fair value of plan assets at the end of the year	**29,859**	**25,489**
Funded status as of December 31	**17,322**	**12,794**

[1] Previous year's figures have been adjusted; see "III Summary of significant accounting principles, items c) and t)"
[2] No comparative figures available

The plan assets are neither used by the staff of the VAMED group nor invested in the VAMED group.

The following weighted-average assumptions were utilized in determining benefit obligations as of December 31:

	2013	2012
Discount rate	2.69%	3.06%
Rate of compensation increase	2.00%	2.09%
Rate of pension increase	1.02%	1.05%

In the year under review, benefit costs in the amount of T€ 1,949 (previous period: T€ 1,766) accrued for VAMED group's defined benefit pension plans, which are composed as follows:

	2013	2012
Service cost	1,363	853
Interest cost, net	586	913
Net periodic benefit cost	**1,949**	**1,766**

Net periodic benefit cost is allocated as personnel expense within cost of sales or selling and general administrative expenses. The allocation depends upon the area in which the beneficiary is employed.

The following weighted-average assumptions (based on the valuation as at December 31 of the preceding year) were used in determining net periodic benefit cost (NPPC) for the current year:

	2013	2012
Discount rate	3.06%	4.80%
Rate of compensation increase	2.09%	2.51%
Rate of pension increase	1.05%	1.75%

Losses in connection with accumulated benefit obligations mainly result from changes in the discount rates on which actuarial computations are based. For the Austrian companies, computation is based on the 'AVOE 2008 - Employees' mortality tables.

Sensitivity analysis

A rise or fall in essential actuarial assumptions by 0.5 points would have the following effects on pension obligations as at December 31, 2013:

Development of pension obligation	0.5 points rise	0.5 points fall
Discount rate	-3,150	3,549
Rate of compensation increase	472	-452
Rate of pension increase	2,544	-1,566

Sensitivity calculations are based on the average term of pension obligations as at December 31, 2013. Calculations were performed separately for the most important actuarial parameters in order to show their respective effects on the present value of pension obligations as at December 31, 2013.

The following table shows the expected future benefit payments:

Expected benefit payments		For the fiscal years
	2,439	2014
	2,456	2015
	2,563	2016
	2,515	2017
	2,436	2018
	13,945	2019 to 2023
Total	**26,354**	**for the next 10 years**

Plan investment policy and strategy

Plan assets are managed exclusively by the pension funds in accordance with their respective investment strategies and are broken down as follows:

	2013	2012
Investment fund for shares	26.14%	25.71%
Bond funds	46.75%	48.52%
Real estate funds	12.04%	11.65%
Other	15.06%	14.11%

The 'Other' portion of the plan assets is mainly determined on the basis of Level 1 and 2 ('Fair Value Measurement', approx. 58% and 42%, respectively).

Defined contribution plans

VAMED group's total expense under defined contribution plans for the year under review was T€ 1,320 (previous period: T€ 1,328).

The main part relates to the Austrian plan, which employees of the VAMED group's lead companies can join. Employees can deposit up to 5% of their pay, and the company contributes 100% of the employee's contribution.

27. Shareholders' equity

Subscribed capital

There were no changes of the subscribed capital in the year under review.

Capital reserve

The capital reserve shows the capital reserve from the consolidated financial statements of VAMED AG as at December 31, 2007 (according to the Austrian Business Code), plus additions from the first entry of the goodwill (at parent company level), as well as one subsidiary's capital reserve, which is not available for distribution.

Other reserves

Other reserves comprise earnings generated by group entities in the reporting year and in prior years to the extent that they have not been distributed.

Dividends

Under the Austrian Companies Act, the amount of dividends available for distribution to shareholders is based upon the net profit as shown in VAMED AG's financial statements drawn up under the Austrian Business Code.

28. Other Comprehensive Income (Loss)

	Before taxes January 1, 2013	Changes	Before taxes December 31, 2013	Tax effect January 1, 2013	Changes	Tax effect December 31, 2013	After taxes January 1, 2013	After taxes December 31, 2013
Cash flow hedges	-37	-34	-71	9	9	18	-28	-53
Foreign currency translation	152	-1,804	-1,651	0	0	0	152	-1,651
Actuarial losses on defined pension plans	-10,377	-1,544	-11,921	2,378	370	2,748	-7,999	-9,173
Other items (mainly severance pay provisions)	-4,445	-1,817	-6,262	974	428	1,402	-3,471	-4,860
Other Comprehensive Income (Loss)	**-14,707**	**-5,198**	**-19,905**	**3,361**	**807**	**4,168**	**-11,346**	**-15,737**

OTHER NOTES

29. Commitments, contingent liabilities

Operating leases and rental payments

The companies of the VAMED group lease office buildings as well as machinery and equipment under various lease agreements expiring on dates through 2049.

Rental expenses in 2013 amounted to T€ 23,130, in the previous period to T€ 18,515. For the first to the fifth subsequent year, obligations under these contracts amount to T€ 56,645, then to T€ 64,207 (previous period: T€ 55,761, and T€ 67,660).

The VAMED group has contingent liabilities in an assessable amount of € 45.8 million max. (previous period: € 47.5 million) resulting from guarantees and similar obligations (mainly in connection with various construction and service projects). No amount is indicated for those additional contingent liabilities that, as at the balance sheet date, could not be assessed in the light of the circumstances.

Legal proceedings

In the year under review, the companies of the VAMED group were not involved in any legal proceedings (neither as plaintiff nor as defendant) of material importance for future business performance. All foreseeable risks resulting from such proceedings have been covered by write-downs and accruals, or insurance contracts.

30. Financial instruments

Valuation of financial instruments

Cash and cash equivalents are stated at nominal value, which equals the fair value.

Short-term financial instruments like accounts receivable and payable, and short-term borrowings, are valued at their carrying amounts, which are reasonable estimates of the fair value due to the relatively short period to maturity of these instruments.

Valuation of derivatives (foreign currency forwards) is done on the basis of a comparison of the contracted forward rate with the forward rate as at the balance sheet date for the remaining term of the contract. The result is then discounted on the basis of the market interest rates prevailing at the balance sheet date for the respective currency. The VAMED group is exposed to risks related to foreign exchange fluctuations in connection with its international business activities that are partly denominated in currencies other than the euro. In order to manage foreign exchange rate fluctuation risks, the VAMED group enters into certain hedging transactions with highly rated banks or the parent's Treasury.

Market risk

The VAMED group has determined the euro as its financial reporting currency. The international activities of the group companies result in transaction risks that relate to sales and purchases denominated in foreign currencies. For the purpose of hedging existing and foreseeable foreign exchange transaction exposures, the VAMED group enters into foreign exchange forward contracts. These hedging transactions were recognized as cash flow hedges. The hedge-effective portion of changes in the fair value of foreign exchange forward contracts that are designated and qualified as cash flow hedges of forecasted product and service purchases and sales is reported in Accumulated Other Comprehensive Income (Loss).

Credit risk

The VAMED group has a major exposure on the merits of loss of receivables. This risk is administered through careful credit rating throughout the entire project phase, consistent receivables management, taking out insurance cover (wherever possible), and by outsourcing the financing risk.

Liquidity risk

The VAMED group uses effective working capital and cash management to control liquidity in order to ensure discharge of existing and future financial obligations. In light of cash and cash equivalents and receivables from cash pooling and investments as existent on the balance sheet date and the financing structure of construction projects, the Management of the VAMED group believes these items as well as the cash generated by operating activities and additional short-term borrowings to be sufficient to meet the foreseeable demand for liquidity of the VAMED group.

31. Supplementary information on capital management

The VAMED group has a solid financial profile. The need for debt (in the form of intra-group borrowing and bank loans) mainly arose in connection with the acquisition of new companies. As a result of the receipt of advance payments and of payments as work progresses, there is little need for debt in the project business division.

Due to the company's diversification within the health care sector and its strong market positions in global, growing and non-cyclical markets, fundamentally predictable and sustainable cash flows are generated. VAMED group's customers are almost invariably of high credit quality. Moreover, the downpayments and provision of security received in the majority of transactions ensure that cash flows can be planned with reasonable certainty. Further details on the development of shareholders' equity and debt are given in the Management Report under '1.3 Results of operations, financial position, assets and liabilities of the VAMED group'.

32. Notes on division reporting

The VAMED group has identified the business divisions 'Project Business' and 'Service Business', which corresponds to internal organizational and reporting structures (management approach) as at December 31.

Sales and proceeds between the business divisions are principally at arm's length. Administrative services are billed in accordance with service level agreements.

33. Related party transactions

In the year under review, there were no business transactions between companies of the VAMED group and Executive or Supervisory Board members of VAMED AG.

34. Subsequent events

Since the end of the fiscal year, there have been no significant changes in the VAMED group's corporate position or operating environment. At present, there are no plans to carry out any significant changes in the group's structure, administration, legal form, or in the area of personnel.

35. Compensation report

The Executive Board's total compensation amounted to T€ 1,858 (previous period: T€ 1,936).
In the year under review, no loans or advance payments on future compensation elements were made to members of VAMED AG's Executive Board.

36. Information on the Supervisory Board

Members of the Supervisory Board in the year under review:

Supervisory Board:
Dr. Gerd Krick, Bad Homburg (Chairman)
Dkfm. Stephan Sturm, Bad Homburg
(Deputy Chairman)
Dr. Robert Hink, Vienna
Dr. Reinhard Platzer, Vienna, until December 2, 2013
KR Karl Samstag, Vienna
Mag. Andreas Schmidradner, Vienna

Employees' representatives:
Josef Artner, Vienna
Otto Hager, Vienna
Ing. Robert Winkelmayer, Vienna

The Supervisory Board compensation is fixed by the VAMED AG General Meeting and in the year under review amounted to T€ 89 (previous period: T€ 90).

37. Auditor's fees

In 2013 and 2012, fees for the auditor Deloitte Audit Wirtschaftsprüfungs GmbH, Vienna, and other Deloitte companies abroad, were expensed as follows:

	2013		2012	
	Total	Thereof Austria	Total	Thereof Austria
Audit fees	289	199	307	215
Tax consulting fees	54	0	8	0
Other fees	138	133	35	35
Total auditor's fees	**481**	**332**	**350**	**250**

38. Investments

VAMED AG's investments are listed in the Annex to the Notes.

39. Responsibility statement

"To the best of our knowledge, and in accordance with applicable reporting principles, the consolidated financial statements of the VAMED group give a true and fair view of the assets, liabilities, financial position and profit or loss of the VAMED group, and the Management Report includes a fair review of the development and performance of the business and the position of the VAMED group, together with a description of the principal opportunities and risks associated with the expected development of the VAMED group."

Vienna, February 27, 2014

The Executive Board

Dr. Ernst Wastler
Chairman of the Executive Board

Mag. Wolfgang Kaltenegger
Member of the Executive Board

Mag. Gottfried Koos
Member of the Executive Board

MMag. Andrea Raffaseder
Member of the Executive Board

LIST OF INVESTMENTS OF VAMED GROUP AS AT DECEMBER 31, 2013

(Without indirect investments, investments of below 10%, as well as closed-down/non-operating firms)

Abbreviation	Company, location	Capital interest %
Fully consolidated companies:		
VAG	VAMED AG, Vienna, Austria	
ALM	ALMEDA, a.s., Neratovice, Czech Republic	76.00
API	API Charitable Operating Ltd., Vienna, Austria	60.00
HCC	H.C. Hospital Consulting S.p.A., Bagno a Ripoli (Florence), Italy	92.71
CLP	Muscoloskeletal Therapy Center Ltd., Prague, Czech Republic	100.00
hi	hospitalia international ltd., Bad Homburg v.d.H., Germany	100.00
HMT	HERMED Medical Technology Switzerland AG, Rapperswill-Jona, Switzerland	56.00
HSB	Sauerbrunn Spa Operation Ltd., Bad Sauerbrunn, Austria	95.00
HTB	HERMED Technical Consulting Ltd., Kirchheimbolanden, Germany	100.00
KLB	Hospital Logistics Berlin-Brandenburg-Lower Saxony Ltd., Bad Saarow, Germany	100.00
KLS	Hospital Logistics Schleswig-Holstein Ltd., Damp, Germany	100.00
KSB	Hospital Sterilization Berlin Ltd., Bad Saarow, Germany	100.00
KSW	Hospital Sterilization Baden-Württemberg Ltd., Müllheim, Germany	100.00
KSM	Hospital Service Mecklenburg-Vorpommern Ltd., Stralsund, Germany	100.00
KTB	Hospital Technology Berlin-Brandenburg-Lower Saxony Ltd., Bad Saarow, Germany	100.00
KTL	Hospital Technology Logistics Mecklenburg-Vorpommern Ltd., Schwerin, Germany	100.00
KTN	Hospital Technology North Rhine-Westphalia Ltd., Bad Berleburg, Germany	100.00
KTS	Hospital Technology Schleswig-Holstein Ltd., Damp, Germany	100.00
KTT	KTT Hospital Technology Thuringia Ltd., Erfurt, Germany	100.00
MED	MEDITERRA s.r.o., Prague, Czech Republic	100.00
MEL	Hospital Melnik Ltd., Mělnik, Czech Republic	100.00
NET	MEDNET s.r.o., Prague, Czech Republic	100.00
NFM	Lower Austrian Facility Management Ltd., Wiener Neustadt, Austria	60.00
NSZ	Hospital of Saint Zdislava Ltd., Velké Meziříčí, Czech Republic	100.00
NTK	Neurological Therapeutic Center Kapfenberg Ltd., Kapfenberg, Austria	90.00
NTV	Nemocnice Tanvald s.r.o., Tanvald, Czech Republic	0.30
PKS KG	PKS Salzburg Private Hospital GmbH & Co KG, Salzburg, Austria	100.00
PKS GmbH	PKS Salzburg Private Hospital Ltd., Salzburg, Austria	100.00
RMB	Rehabilitation Clinic Montafon Operating Ltd., Schruns, Austria	100.00
ROB GmbH	Rehabilitation Center Oberndorf Operating Ltd., Oberndorf, Austria	100.00
ROB KG	Rehabilitation Center Oberndorf Operating GmbH & Co KG, Oberndorf, Austria	100.00
RZS	Rehabilitation Clinic Zihlschlacht AG, Zihlschlacht-Sitterdorf, Switzerland	100.00
SED	MEDITERRA - Sedlčany, s.r.o., Sedlčany, Czech Republic	100.00
STC	Senior Residents Center St. Corona am Schöpfl Operating Ltd., Vienna, Austria	100.00
TAU	TAU Management Ltd., Vöcklabruck, Austria	60.00
TBS	Thermal Center Seewinkel Operating Ltd., Frauenkirchen, Austria	100.00
TMD	TEMAMED Medical Technology Services Ltd., Kirchheimbolanden, Germany	100.00
UKK	VAMED UKK Project Ltd., Berlin, Germany	100.00
VE KG	VAMED ENGINEERING GmbH & CO KG, Vienna, Austria	100.00
VE (P)	PRINSAMED - PROJECTOS INTERNACIONAIS DE SAÚDE UNIPESSOAL LDA, Lisbon, Portugal	100.00
VE (U)	TOV "VAMED UKRAINE", Kiev, Ukraine	100.00
VE GMBH	VAMED ENGINEERING Ltd., Vienna, Austria	100.00
VHP	VAMED Health Project Ltd, Berlin, Germany	100.00
VHP-CZ	VAMED Health Projects CZ s.r.o., Prague, Czech Republic	100.00
VKMB	VAMED-KMB Technical Operation and Management Ltd., Vienna, Austria	100.00
VMS KG	VAMED Management and Service GmbH & Co KG, Vienna, Austria	100.00
VMS GMBH	VAMED Management and Service Ltd., Vienna, Austria	100.00
VMS-D	VAMED Management und Service Ltd. Germany, Berlin, Germany	100.00
VMT	VAMED Medical Technology Ltd., Vienna, Austria	100.00

Abbreviation	Company, location	Capital interest %
VSB	VAMED Service and Holding Ltd., Berlin, Germany	95.00
VSG KG	VAMED Estate Development and Engineering GmbH & CO KG, Vienna, Austria	100.00
VSG GMBH	VAMED Estate Development and Engineering Ltd., Vienna, Austria	100.00
Non-consolidated companies:		
AVK	ATEGRIS VAMED Hospital Service Ltd., Oberhausen, Germany	49.00
BBH	Blumauerplatz Holding Ltd., Linz, Austria	100.00
BPB	Burgenland Nursing Home Operating Ltd., Neudörfl, Austria	49.00
CFS	Casalis Facility Services Ltd., Kassel, Germany	49.00
CFM	Charité Facility Management Ltd., Berlin, Germany	16.33
CWS	CW Hospital Service Ltd., Düsseldorf, Germany	25.00
EHD	PT. European Hospital Development, Jakarta, Indonesia	30.00
GOK	Charitable Oberndorf Hospital Operating Ltd., Oberndorf bei Salzburg, Austria	49.00
GRB	Health Resort Gars Operating Ltd., Gars am Kamp, Austria	19.14
GRG	Health Resort Gars Ltd., Gars am Kamp, Austria	17.00
ITS	UK SH Information Technology Services Ltd. (ITSG), Lübeck, Germany	49.00
ITT	UK SH Information Technology Ltd., Lübeck (GfIT), Germany	49.00
KFE	KFE Hospital Facility Management Eppendorf Ltd., Hamburg, Germany	49.00
KME	KME Hospital Medical Technology Eppendorf Ltd., Hamburg, Germany	49.00
LKV	LKV Hospital Construction and Leasing Ltd., Linz, Austria	49.00
MTK GmbH	VAMED MTK Hofheim Management Ltd., Berlin, Germany	100.00
MTK KG	VAMED MTK Hofheim GmbH & Co. KG, Berlin, Germany	100.00
NRZ	Neurological Rehabilitation Center 'Rosenhügel' Construction and Operating Ltd., Vienna	49.00
NTG	Neurological Therapeutic Center Gmundnerberg Ltd., Linz, Austria	41.40
PSZ	Psychosomatic Center Eggenburg Ltd., Eggenburg, Austria	29.00
RBB	Rehabilitation Center Baumgartner Höhe Operating Ltd., Vienna, Austria	100.00
RBW	Rehabilitation Clinic Bregenzer Wald Operating Ltd., Lingenau, Austria	100.00
RKB	Rehabilitation Center Kitzbühel Operating Ltd., Kitzbühel, Austria	100.00
RVB	Rehabilitation Center St. Veit im Pongau Operating Ltd., St. Veit im Pongau, Austria	76.00
RZO	Rheumatic Center Vienna-Oberlaa Ltd., Vienna, Austria	49.00
SEN	SENALPA S.r.l., Venice, Italy	21.40
TBG	'TBG' Thermal Center Geinberg Operating Ltd., Linz, Austria	18.00
TEH	Therapeutic Center Enns Holding Ltd., Linz, Austria	29.70
THG	'THG' Thermal Center Geinberg Construction Ltd., Geinberg, Austria	27.34
THL	THL Thermal Center Laa a.d.Thaya Project Development and Construction Ltd., Laa a.d. Thaya, Austria	19.96
TLG	Aqua Dome Tirol Therme Längenfeld GMBH & CO KG, Längenfeld, Austria	11.66
TLG GMBH	Aqua Dome Tirol Therme Längenfeld Ltd., Längenfeld, Austria	12.43
TWB KG	Tauern SPA World Operating GmbH & Co KG, Kaprun, Austria	17.07
TWB GMBH	Tauern SPA World Operating Ltd., Kaprun, Austria	20.99
TWE KG	Tauern SPA World Construction GmbH & Co KG, Kaprun, Austria	17.07
TWE GMBH	Tauern SPA World Construction Ltd., Kaprun, Austria	20.99
TWO KG	Thermal Center Vienna GmbH & Co KG, Vienna, Austria	19.99
TWO GmbH	Thermal Center Vienna Ltd., Vienna, Austria	19.99
UKH-Linz	UKH-Linz Construction and Leasing Ltd., Linz, Austria	33.33
VAROM	VAMED ROMANIA S.R.L., Bucharest, Romania	100.00
VBH	'VAMED B&H' d.o.o. Tuzla, Tuzla, Bosnia and Herzegovina	100.00
VE (M)	VAMED ENGINEERING (M) SDN. BHD., Kuala Lumpur, Malaysia	16.00
VE (T)	Vamed (Thailand) Co., Ltd., Bangkok, Thailand	15.00
VEE	VAMED EMIRATES LLC, Abu Dhabi, United Arab Emirates	20.00
VE-NIG	VAMED ENGINEERING NIGERIA LIMITED, Abuja, Nigeria	15.00
VE-PHD	Philippine Hospital Project Development Corporation, Manila Makati City, Philippines	40.00
VHC	VAMED Healthcare Co. Ltd., Beijing, China	100.00
VHS	VAMED HEALTHCARE SERVICES SDN. BHD., Kuala Lumpur, Malaysia	93.14
VHT	VAMED Healthcare Services (Thailand) Ltd., Bangkok, Thailand	49.00
VMR	Health Institution - Institute for diagnostics "VAMED" Novi Sad, Novi Sad, Serbia	75.00
VMS-CZ	VAMED CZ s.r.o., Prague, Czech Republic	100.00
VOJ	"VOJVODINA SPA" Ltd. Novo Milosevo, Novo Milosevo, Serbia	51.00
V-RU	OOO VAMED, Moscow, Russian Federation	100.00

All company names are shown as registered, except for German-language company names, with regard to which an interpretive English equivalent is given.

AUDITOR'S REPORT

We have audited the ‚Condensed Consolidated Financial Statements', comprising balance sheet, income statement, cash flow statement, statement of changes in equity, and condensed Notes, of VAMED AG, Vienna, for the fiscal year January 1 to December 31, 2013. The condensed consolidated financial statements are based on the Group Reporting Package prepared in accordance with the International Financial Reporting Standards (IFRS) and the consolidated group stipulated therein. The preparation and the contents of that Group Reporting Package, prepared exclusively for the purpose of integration into the parent's consolidated financial statements, and the resulting condensed consolidated financial statements, are the responsibility of the company's legal representatives. Our responsibility is to express an opinion on the condensed consolidated financial statements based on our audit. On signing the job arrangement letter, our mandate, and our responsibility, also vis-à-vis third parties, are subject to the General Conditions of Contract for the Public Accounting Professions (AAB 2011) as published by the Chamber of Public Accountants. Therefore, our liability is excluded for cases of slight negligence. For gross negligence, a maximum liability limit of € 2 million is agreed upon in accordance with the Austrian Business Code, section 275.

We conducted our audit in accordance with the International Standards on Auditing (IASs). Those standards require that we comply with professional guidelines and that we plan and perform the audit to obtain reasonable assurance whether the condensed consolidated financial statements are free of material misstatements. Our understanding of the business and the economic and legal environment of the subgroup and expectations as to possible misstatements were taken into account in the determination of the audit procedures. An audit includes an examination, on a test basis, of evidence supporting the amounts and disclosures in the condensed consolidated financial statements. An audit also includes assessing the accounting principles applied and significant estimates made by the legal representatives as well as evaluating the overall presentation of the financial statement. We believe that our audit provides a reasonable basis for our opinion.

The VAMED subgroup's financial statements vary from the International Financial Reporting Standards (IFRS) and the interpretations by the International Financial Reporting Interpretations Committee (IFRIC) in the following points:

- The VAMED subgroup's financial statements include goodwill from the acquisition of the VAMED group by the parent (‚push down accounting') as well as goodwill from the acquisition of other segments of the parent by the VAMED group that result from the ‚push down accounting' or have been recognized at the difference between the purchase prices and the carrying amounts, always using the amounts provided by the parent. As for details, also regarding figures, we refer to the ‚General notes on the financial statements of the VAMED group' as contained in the Notes to the VAMED subgroup's financial statements (‚Notes').

- The Notes to the VAMED subgroup's financial statements (‚Notes'), as stated therein in ‚General notes on the financial statements of the VAMED group', do not include all disclosures required under IFRS.

- The VAMED subgroup's financial statements comprises two non-profit organizations, which turn over a total of € 12.0 million, from which the VAMED group does not benefit directly.

In our opinion, which is based on the results of our audit, the condensed financial statements of the VAMED AG subgroup, Vienna, as at December 31, 2013, subject to the qualifications stipulated in the above paragraph, were prepared in accordance with International Financial Reporting Standards (IFRS) and give a true and fair view of the financial position of the VAMED AG subgroup as at 31 December 2013 and of its financial performance for the financial year from 1 January 2013 to 31 December 2013.

Vienna, February 27, 2014

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Deloitte Audit Wirtschaftsprüfungs GmbH

ppa

Dr. Christoph Waldeck
Certified Public Accountant

ppa. Dr. Claudia Brunnhuber-Holzinger
Certified Public Accountant

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