ANNUAL REPORT 2015

HEALTH. CARE. VITALITY.

	2015	2014
Orders on hand (€ m)	1,650.4	1,397.8
Sales (€ m)	1,117.6	1,042.3
International sales (%)	64.0	61.4
EBIT (€ m)	63.6	59.3
EBT (€ m)	61.2	58.0
Staff (as at Dec. 31)	8,262	7,746

Acc. to International Financial Reporting Standards (IFRS)

VAMED Aktiengesellschaft
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VAMED AG

VAMED Group Report

FOREWORD OF THE EXECUTIVE BOARD

During 2015, VAMED has again managed to prove its capability and efficiency, despite a persistently challenging economic and geopolitical environment. VAMED generated strong global sales and EBIT growth in 2015. In addition to that the company can report a new record high in order intake and backlog. This forms an excellent basis for future success and confirms VAMED's leadership position in prevention, acute care, rehabilitation, and nursing.

A constantly changing environment requires healthcare to be developed further on a continuous basis. In more than three decades, VAMED has successfully implemented over 760 healthcare projects in 78 countries and offers customized services for hospitals and other healthcare facilities to a global customer base.

VAMED's value chain comprises the entire health sector portfolio, from project development, planning and project management via all areas of technical, commercial, and infrastructure facility management to total operational management. We are providing customized solutions – all from one source. VAMED also implements projects together with cooperation partners. VAMED is a leader in the area of Public Private Partnership models (PPP) for hospitals and other healthcare facilities. By the end of 2015, 23 PPP models had been implemented or were in the implementation stage.

In the project business, work on existing orders was continued and contracts for major new projects were signed including for an innovative integrated health center in Abu Dhabi, and for university hospitals in Poland, Ghana, Laos, and Bolivia.

The service business was again significantly expanded in 2015. In technical facility management alone, VAMED today provides services for more than 550 hospitals worldwide with a total of 135,000 beds and has total operational management responsibility for 54 healthcare facilities with more than 7,000 beds on four continents. VAMED successfully operates 15 rehabilitation centers on the basis of total operational management contracts in Austria, Switzerland and the Czech Republic. With about 3.1 million guests a year at the nine VAMED Vitality World thermal spa and health resorts VAMED is the market leader in this segment in Austria. The company also successfully operates Hungary's largest thermal spa, Aquaworld Budapest.

We are is focused on the innovative capacity, the know-how and the commitment of our entire team and put an emphasis on lean, efficient structures and a global orientation of our portfolio of services. Our efficient cost management and consistent efforts at optimizing structures and processes have contributed to achieving our good results in 2015.

We are firmly committed to continuous improvement and to the further strengthening and expansion of our value chain in our target markets in Europe and beyond. This means pursueing continued growth in global health markets whilst remaining profitable at the same time. In doing so, we act responsibly: VAMED is not only dedicated to making economical use of available resources; our primary focus is on quality improvements from which both patients and staff of healthcare facilities will benefit.

In 2015 we have yet again managed to expand our international presence and to report stronger financial results. We owe this success above all to our staff and we would like to take this opportunity to express our sincere thanks for their outstanding efforts. In the same manner 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. Thomas Karazmann 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 2015, the Supervisory Board's deliberations focused on project and 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 healthcare 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 Aktiengesellschaft 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 Aktiengesellschaft 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 under 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 Aktiengesellschaft and the (condensed) financial statements of the VAMED subgroup; after detailed audits and following the Balance Sheet Committee's meeting on March 4, 2016, the Committee recommended the Supervisory Board to approve of the financial statements.

In its meeting of March 17, 2016, the Supervisory Board accordingly approved of the Financial Statements, including Management Report, of VAMED Aktiengesellschaft, 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 2016 of VAMED Aktiengesellschaft.

Thanks and recognition are due to the staff for their contribution in the fiscal year 2015.

Vienna, March 17, 2016

Dr. Gerd Krick
Chairman of the Supervisory Board

CORPORATE ORGANS OF VAMED AG

The Executive Board

CHAIRMAN OF THE EXECUTIVE BOARD	**Dr. Ernst Wastler**
MEMBER OF THE EXECUTIVE BOARD	**Mag. Thomas Karazmann**
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.)
	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**
	Mag. (FH) Thomas Hehle
	Ing. Robert Winkelmayer

VAMED-GROUP **STRUCTURE**

Each individual order places very special and challenging demands on the VAMED team. The structure of the VAMED group ensures that, worldwide, we can offer solutions geared to local needs.

» With competence and professionalism we realize worldwide projects for the health of tomorrow. «

PROJECTS		SERVICES	
INTERNATIONAL	CENTRAL EUROPE	AKH and KAV, VIENNA	CENTRAL EUROPE and INTERNATIONAL
VAMED ENGINEERING GmbH & CO KG, Vienna	VAMED Standortentwicklung und Engineering GmbH & CO KG, Vienna	VAMED-KMB Krankenhaus-management und Betriebsführungs-ges.m.b.H., Vienna	VAMED Management und Service GmbH & Co KG, Vienna

HEALTH.
CARE.
VITALITY.

Competence grows with increasing challenges; challenges grow with greater competence. As we understand health in a holistic way, VAMED provides the full range of services, from health tourism and prevention via acute care and rehabilitation to nursing.

create health.

From the very beginning, the planning and setting up of healthcare projects, followed by operational management, have been VAMED's core competence. Unique customer-specific solutions, adherence to schedules, and reliability, impressive service and country portfolios, as well as the 'think global - act local' principle have ensured great attention and recognition worldwide, strengthened VAMED's leading position as an international healthcare provider and established our first-class reputation.

manage care.

As an integrated healthcare provider, VAMED offers all management services for healthcare facilities worldwide. Our service business has a modular structure and comprises facility management in technical, commercial, and infrastructure terms. In total operational management, with its varied medical and nursing services, the human being and human health are at the center of our attention. With its offer of integrated solutions VAMED ensures a high level of patient satisfaction and warrants an optimum management and operation of a facility over its entire lifecycle, from the construction of buildings to the end of its primary useful life, or to its modernization and extension.

enjoy vitality.

The VAMED Vitality World spa and health resorts offer medical and therapeutic methods and extensive applications to improve our health-conscious guests' physical and mental well-being. VAMED has put its many years of experience in healthcare to good use and has managed to bridge the gap between preventive medicine and health tourism.

VAMED VALUE CHAIN

As an international health care group VAMED operates in all areas of health care: prevention, acute care, rehabilitation and nursing.

In all of these areas, VAMED offers wide-ranging services, from project development via planning, project management and construction to technical, commercial, and infrastructure services, as well as (total) facility management.

PROJECT DEVELOPMENT

PLANNING

PROJECT MANAGEMENT AND CONSTRUCTION

SERVICES

- technical
- commercial
- infrastructure

OPERATIONAL MANAGEMENT

PREVENTION

ACUTE CARE

REHABILITATION

NURSING

ASSUMING RESPONSIBILITY

VAMED's experience as an internationally operating health group in the areas prevention, acute care, rehabilitation and nursing forms the basis for successful solutions across the entire portfolio: project development, planning, project management and construction, services and operational management.

PROJECT DEVELOPMENT

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

PLANNING

The complex challenges faced when planning projects in the healthcare 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.

PROJECT MANAGEMENT AND CONSTRUCTION

VAMED is the professional partner for healthcare projects, from initial planning to turnkey construction and the final handing-over of the project. Implementation meeting all requirements in terms of deadlines, costs, and quality is ensured, as are suitable financing solutions and accompanying control.

SERVICES

VAMED offers a full range of services for healthcare 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 process optimization VAMED minimizes costs and ensures the required quality of healthcare.

OPERATIONAL MANAGEMENT

VAMED has the know-how it takes to manage a healthcare facility anywhere in the world over its entire life cycle, from the initial project idea to total operational management, using our own resources – this is what makes us unique. VAMED stands ready to provide whatever management service is desired, from outsourcing solutions for partial operations via partnership models to total operational management. And VAMED gives impressive evidence of its competence in the management of its own healthcare facilities.

» Competence through concentrated know-how. «

760 Healthcare projects implemented

554 Healthcare facilities: Facility management services

78 Countries

54 Healthcare facilities: Total operational management

23 Public Private Partnership models

FOCUSED **ON HEALTH**

With technical expertise, competence and professionalism VAMED realizes ideas and visions, which are all focused on human health and well-being.

PREVENTION

The VAMED Vitality World spa and health resorts offer medical and therapeutic methods and extensive applications to improve our guests' physical and mental well-being. VAMED has put its many years of experience in healthcare to good use and has managed to bridge the gap between preventive medicine and health tourism.

ACUTE CARE

Innovative and sustainable approaches are the pillars on which VAMED's leading international position in the hospitals and clinics sector rests: We implement major projects in the areas of hospital development, construction and operation. In all of these areas, VAMED can refer to decades of international experience.

REHABILITATION

At all our rehabilitation facilities VAMED aims at reducing restraints that patients encounter as a result of illnesses or accidents to the extent possible so that our patients can participate fully in society, family, and working life. The personal and individual treatment of our patients and the patient-oriented design of all facilities ensure that we achieve the best results of our therapeutic measures.

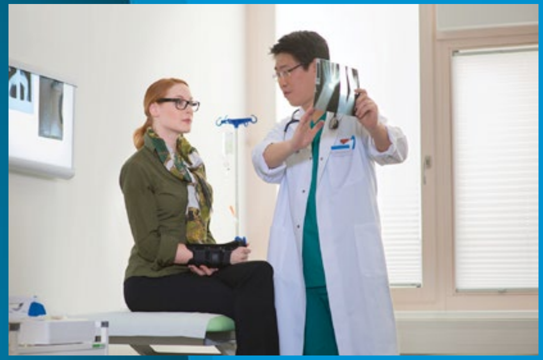
NURSING

The salutogenesis methodological concept applied by VAMED opens up new paths in nursing, where those affected can lead a self-determined life in dignity. One further key element is individual employee development in healthcare. In terms of spatial and functional design, the focus is on contemporary standards to benefit residents and the staff alike.

» Innovation evolves through vision. «









VAMED LOCATIONS WORLDWIDE

Employing more than 17,000 staff on four continents, VAMED works on ideas and their implementation for healthcare facilities of the future. VAMED has so far successfully implemented more than 760 facilities in healthcare and health tourism in 78 countries.

Port-of-Spain, Trinidad and Tobago
Bogotá, Colombia
Quito, Ecuador
Lima, Peru
La Paz, Bolivia

Berlin, Germany
Hamburg, Germany
Kirchheimbolanden, Germany
Bad Homburg, Germany
Kiel, Germany
Lübeck, Germany
Frankfurt a. M., Germany
Kassel, Germany
Mülheim an der Ruhr, Germany
Düsseldorf, Germany
Cologne, Germany
Antwerp, Belgium
Paris, France
Prague, Czech Republic
Arnheim, Oostvoorne, The Netherlands
Vienna, Austria - VAMED Headquarters
Rapperswil-Jona, Switzerland
Zihlschlacht-Sitterdorf, Switzerland
Dussnang, Switzerland

Lisbon, Portugal
Florence, Italy
Milan, Italy
Budapest, Hungary
Athens, Greece
Ankara, Turkey
Warsaw, Poland
Bucharest, Romania
Novi Sad, Serbia
Banja Luka, Bosnia and Herzegovina
Bijeljina, Bosnia and Herzegovina
Pristina, Kosovo

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

Abu Dhabi, UAE
Doha, Qatar
Abuja, Nigeria
Nairobi, Kenya
Praia, Cape Verde
Dakar, Senegal
Maputo, Mozambique
Accra, Ghana
Libreville, Gabon
Tripoli, Libya

Ulan Bator, Mongolia
Beijing, China
Hanoi, Vietnam
Kuala Lumpur, Malaysia
Manila, Philippines
Bangkok, Thailand
Jakarta, Indonesia
Goroka, Papua New Guinea

VAMED **PROJECTS**

By the end of 2015, VAMED has implemented more than 760 projects worldwide, 23 of which were Private Public Partnership models.

VAMED is a leader in the implementation of Public Private Partnership (PPP) models in healthcare. For these business models, public and private partners jointly plan, build, finance and operate hospitals and other healthcare facilities. In order to increase efficiency and ensure a competitive edge, VAMED is always trying to find new and innovative approaches: Apart from partnership-based implementation models, as for instance lifecycle 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 complex healthcare facilities.

» From individual services to overall implementation projects, including operational management: VAMED is the partner for all healthcare sector projects where overall solution competence is required – worldwide. «

PROVINCIAL HOSPITAL NEUNKIRCHEN
NEUNKIRCHEN, AUSTRIA

The newly built Provincial Hospital Neunkirchen was officially inaugurated in early November 2015.

After a construction time of only two years the turnkey Provincial Hospital was handed over in 2015. The project included the construction of new structures and the removal of old existing buildings, but also equipping the hospital with medical technology and designing the new infrastructure at the new location. VAMED was further commissioned with the facility's technical management.

The new 367-bed Provincial Hospital with a focus on orthopedics and psychiatry is a key project in acute healthcare for the entire region.

The hospital has a total floor area of 47,000 square meters and was planned and built in accordance with state-of-the art medical and building standards.

The use of geothermal energy in combination with photovoltaics, one of the most innovative energy concepts of the future, is but one example. This concept ensures environmentally friendly heating and adequate cooling of the buildings and, as a result, significantly reduces the consumption of electrical energy and of external heat carriers. The new Provincial Hospital is currently considered to be the largest geothermal project in the Austrian hospital sector.

REHABILITATION CLINIC ENNS
ENNS, AUSTRIA

In July 2015, the Rehabilitation Clinic Enns was officially inaugurated as VAMED's 15th rehabilitation facility.

Located in one of Austria's oldest towns, the new healthcare facility will care for up to 126 patients. Sixty beds each are available in the neurology and pneumology departments. In addition, there are six long-term artificial respiration beds. The Rehabilitation Clinic Enns has a therapeutic area of more than 1,000 square meters with state-of-the art diagnostic and therapeutic facilities and devices. It also has a therapy garden with an area of 5,300 square meters.

The new Rehabilitation Clinic Enns, on the site of the former hospital, is one of the most modern rehabilitation clinics in Austria, not only from an architectural but also from medical and therapeutic points of view. With a great deal of attention to detail, VAMED has created an atmosphere in which patients can recover and feel completely at ease. Various functional decorative elements at each level invite patients to relax and to 'touch and feel' - an important approach to therapy for both neurological and pneumological patients. In pneumological rehabilitation, patients are offered individual therapeutic plans geared to the individual patient's clinical picture, including respiratory physiotherapy, strength and endurance training, patient training, smoking cessation and diet advice.

At this facility, which received the LEED Certificate in Gold (Leadership in Energy and Environmental Design), therapeutic measures are backed up by psychological counseling and ergotherapy.

REHABILITATION CLINIC ZIHLSCHLACHT
ZIHLSCHLACHT, SWITZERLAND

Extension of the Rehabilitation Clinic Zihlschlacht.

The Rehabilitation Clinic Zihlschlacht is one of the most renowned rehabilitation clinics for neurological rehabilitation in Switzerland. The Clinic specializes in the treatment of patients with brain and nerve injuries with the aim of their reintegration into daily life. It offers excellent medical treatment, professional therapy and nursing. There are special wards for early rehabilitation, for the treatment of Parkinson diseases, as well as for the treatment of chronic pain.

Since 2012 VAMED, as the rehabilitation clinic's owner and operator, has been working on the extension of existing facilities by 35 beds. The new functional wing has three floors with room for 51 beds for inpatient treatment and was opened up in 2015. The new clinic building houses additional therapy rooms, an X-ray room, office and meeting rooms, as well as a conference room. Together with the new structures, directly attached to the existing buildings, the rehabilitation clinic now has a total of 135 beds.

VAMED is also the owner/operator of kneipp-hof Dussnang AG and as such the second largest provider of rehabilitation services in Switzerland.

UNIVERSITY HOSPITAL SCHLESWIG-HOLSTEIN
KIEL/LÜBECK, GERMANY

Groundbreaking for the largest PPP project in the German healthcare sector.

The groundbreaking ceremony in Lübeck in September 2015 marked the official start of work on the construction of the new structures for the University Hospital Schleswig-Holstein. The contract for the planning, construction of new buildings and renovation of the existing structures covers the Lübeck and Kiel locations and will be completed by the VAMED and BAM consortium by 2021.

At both sites, diagnosis, treatment, nursing, technology, supply and disposal, research and teaching will be networked. All these activities will be closely interrelated, in particular in spatial terms. At the Lübeck location, for instance, interdisciplinary emergency admission will be at the same level as functional diagnostics, endoscopy, the surgery and cardiology examination and treatment areas. Emergency admission also has a direct connection via a dedicated elevator to the new helicopter pad on the roof of the building. And in between, a surgery area with 20 rooms, intensive care units, and the sterile services area form a compact unit.

Concurrently with construction work, the consortium has been put in charge of facility management for both locations for a contractual period until 2044. At a total contract volume of about € 1,700 million, this is the largest PPP project in the German healthcare sector.

AL REEM INTEGRATED HEALTH & CARE CENTER ABU DHABI
UNITED ARAB EMIRATES

Towards the end of December 2015 VAMED was awarded the contract for the construction and operational management of the Al Reem Integrated Health & Care Center in Abu Dhabi.

The concept for the Al Reem Integrated Health & Care Center in the United Arab Emirates is particularly innovative as it seamlessly combines a modern primary healthcare center (PHC) with an acute care hospital and a directly integrated rehabilitation clinic. Acute medical care specializes in the treatment of women and children. Rehabilitation services are planned to include therapies for orthopedic, cardiovascular, neurological and oncological patients.

The floor space of ca. 52,000 square meters will provide room for a total of 275 beds. In the area of acute care there will be 175 beds; 100 beds will be available in rehabilitation.

For this project, VAMED will also be in charge of operational management for a period of twenty years.

FRIENDSHIP HOSPITAL
VIENTIANE, LAOS

As a long-time partner of Friendship Hospital in Vientiane, VAMED will build an extension unit as a turnkey project.

Friendship Hospital in Vientiane is one of the leading public healthcare facilities in Laos. Special focus areas are the treatment of orthopedic and neurological patients as well as those with kidney diseases. In addition to acute medical care, the hospital is a university research facility and a teaching hospital.

Extension work on the Friendship Hospital will be carried out in two stages and comprises the planning, construction and equipping the new structures. Turnkey project implementation work includes the training of the future users and maintenance.

Following the extension of the radiology department, of the operating and intensive medical care units, and of the radiation therapy center in the past, this new order sets another important milestone for VAMED in that Southeast Asian growth market.

HAIKOU PRIVATE HOSPITAL
HAINAN, CHINA

A festive ceremony in March 2015 marked the start of work on the construction and operation of a 325-bed private hospital on Hainan Island.

The private hospital in Haikou, Hainan Island, Southern China, will be an integrated acute care and rehabilitation clinic, which is planned to be inaugurated in 2017. This will be VAMED's first lifecycle project in China. The contract is for the planning, supply of medical technology and IT, as well as for operational management. This lifecycle model is being implemented on a joint-venture basis together with the Hainan Group.

For more than 25 years, VAMED has had a close business relationship with China. Until now, various healthcare projects in 23 of the country's provinces and regions have been implemented, ranging from the financing, supply and putting-into-operation of medical technology packages to the construction and operational management of healthcare facilities.

E-HEALTH KOSOVO
KOSOVO

VAMED has successfully implemented the new e-health system in Kosovo.

As the leading consortial partner VAMED has successfully implemented the future e-health system in Kosovo. This project is the first reference project in Europe of a uniform e-health system for country-wide application.

In a first phase, ca. 90 public healthcare institutions were equipped with an e-health solution. The software manages complete patient administration, medical documentation, registers of healthcare service providers and medications registers, as well as all electronic medical files for all citizens. The software solution is planned to be rolled out to all of the about 360 public healthcare facilities in Kosovo within the next three years.

VAMED's long standing experience in technical services, in particular in the hospital IT sector, was crucial for the successful implementation of this project.

UNIVERSITY HOSPITAL KRAKOW-PROKOCIM, POLAND

Construction of a new hospital for the Krakow-Prokocim University.

In early May 2015, a festive groundbreaking ceremony was held for the new main location of the Jagiellonian University Hospital (NSSU) at the Krakow-Prokocim site. The central building complex will in future house an 892-bed wing, 24 operating rooms, outpatient departments, as well as research and teaching facilities. In a European consortium, VAMED is in charge of redesigning the renowned hospital, as well as for medical technology equipment.

Located in the Prokocim district since 1966, the University Hospital caters for all general medical needs and has built up a reputation for its specialization in pediatrics, and as a teaching and research institution.

GROUP MANAGEMENT REPORT 2015

VAMED achieved excellent results in 2015.

VAMED may refer to a successful fiscal year 2015 – sales increased by 7.2 %, EBIT is up 7.4 %, and earnings before tax (EBT) improved by 5.5 %. A 7.7 % rise in new orders and a plus of almost 18.1 % in our order books form a solid basis for continued future growth.

1. Economic report

1.1 General economic and business situation

VAMED is specialized on international projects and services for hospitals and healthcare centers. Our range of services comprises the complete value chain in the healthcare 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 healthcare facilities over their entire life cycles. VAMED is also a pioneer in the area of Public Private Partnership (PPP) models for hospitals and other healthcare facilities.

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

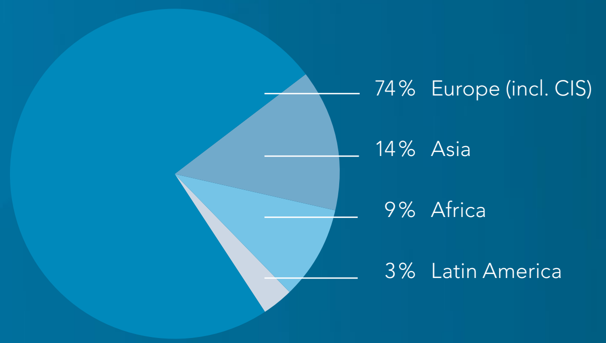
VAMED has so far successfully implemented more than 760 projects in 78 countries dispersed over four continents.

1.2 Business development

Economic development
In the fiscal year 2015, VAMED managed to increase sales by 7.2 % to a total of € 1,118 million (2014: € 1,042 million). Sales by divisions developed as follows:

in T€	2015	2014	Changes
Project business	574,981	557,884	3.1 %
Service business	542,637	484,399	12.0 %
Total	**1,117,618**	**1,042,283**	**7.2 %**

Sales broken down by regions
In 2015 the strongest region was Europe, accounting for 74 % of total sales. Asia, Africa, and Latin America contributed 14 %, 9 %, and 3 %, respectively, to total sales.



2015: T€ 1,117,618

In the year under review, project business again developed excellently and orders on hand rose by 18.1 % to € 1,650 million.

VAMED's earnings performance also was outstanding. EBIT rose by 7.4 % to € 64 million (2014: € 59 million), of which the project business and the service business accounted for € 25 million (2014: € 27 million) and € 39 million (2014: € 32 million), respectively. The EBIT margin was 5.7 %.

A result of our business's low capital intensity, VAMED's return on equity (ROE) before taxes was excellent at 19.5 % (2014: 20.4 %).

The net income of VAMED attributable to the parent's shareholders was € 44 million, an increase of 7.2 % against the previous period (2014: € 41 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
- Training programs

Project business

Our project business comprises consultation, development and planning, and the turn-key completion of projects, including financing engineering.

VAMED is a leader in the area of Public Private Partnership models (PPP) for healthcare facilities. For these business models, public and private partners set up a joint project company to plan, build, finance and operate hospitals and other healthcare facilities. So far, 23 PPP models have been implemented. In the following, brief information is given about important projects in individual project business target markets.

Europe

In Germany, our project business focus in 2015 was on the modernization of the University Hospital Schleswig-Holstein, starting with the groundbreaking in Lübeck in September. A consortium formed by VAMED and BAM is constructing new buildings and renovating existing facilities. The budgeted investment volume is € 520 million. The consortium was also commissioned with operating and maintaining the buildings until 2044. At an overall contract volume of € 1,700 million, this is the largest PPP model in the German healthcare sector.

In Berlin, renovation work on the 21-storey Charité bed tower was continued. As a joint-venture partner, VAMED has been commissioned with this major construction project and in addition to the bed tower, will also construct a new building to house intensive care units, operating rooms and emergency services.

In Austria, major projects in progress were continued or completed.

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 completed. The area of specialization of that 126-bed facility is the treatment of neurological and pulmonary conditions. In acute care, the Provincial Hospital Neunkirchen, Lower Austria, was completed after only a two-year construction period. This hospital is a pioneering example also for its energy management concept, which includes geothermal energy and photovoltaics.

The extension and modernization of the Provincial Hospital Mistelbach-Gänserndorf in Lower Austria was continued in 2015 and several important construction stages could be completed. The modernization of existing structures and measures to increase energy efficiency will be completed by 2017. The turn-key 151-bed rehabilitation clinic "Peterhof" in Baden, Lower Austria, was opened in October.

In July 2015, work was commenced on the renovation and enlargement of Thermal Spa Laa. Completion is planned for 2016.

In Switzerland, extension work for the renowned Rehabilitation Clinic Zihlschlacht, Canton Thurgau, was completed; the opening ceremony took place in May 2015. That 135-bed facility is a leading hospital for neurological rehabilitation, with special wards for early rehabilitation, psycho-mentally severely affected patients, for the treatment of Parkinson diseases, as well as for the treatment of chronic pain. To respond to the growing significance of geriatric medicine, the project to establish a geriatric rehabilitation ward was started in Dussnang, VAMED's second rehabilitation location in Switzerland.

In Bosnia and Herzegovina, VAMED has been working on the modernization and extension of the University Hospital Banja Luka.

Africa

In Gabon, modernization work for the major project Centre Hospitalier de Libreville was completed according to schedule. In Ghana, VAMED received an order for the turn-key construction of a 400-bed university hospital in Tamale.

In Africa, VAMED has been working on a number of other projects as for instance in Cape Verde, Kenya, Congo, Mozambique and Senegal. In Ghana, another 15 polyclincis of a modular structure will be built until 2018 to improve medical care outside of large cities.

Middle East and Asia

On the Arabian peninsula, a number of new projects were initiated in 2015. First and foremost, there is the Al Reem Integrated Health & Care Center in Abu Dhabi – an integrated health center including acute care hospital, rehabilitation center and a primary medical care facility, for which VAMED will provide all lifecycle model services: planning, construction, equipment with medical technology, and operational management. Contracts for further medical technology projects could be won in Oman and in the United Arab Emirates.

In the important Asian markets China, Malaysia and Vietnam VAMED has been working with success for many years already. The official start of work for the construction of the first private clinic in China, which will also be operated by VAMED, sets another important milestone in that growth region. In neighboring Laos we received an order for the modernization and extension of a general hospital, which further strengthens our position in that region.

Latin America
VAMED has continued to successfully develop and strengthen its market position in Latin America for many years. In Bolivia, the contract signed in 2015 for a regional hospital in Villa Tunari constitutes the first major project in that market. VAMED is also in charge of medical technology projects in Nicaragua and Peru. The order for the turn-key construction of a hospital in Port Fortin, Trinidad and Tobago, was continued in 2015 according to schedule.

Service business

Services on offer range from the maintenance of buildings and of all technical devices, service of medical technology equipment, via facility management to the total operational management of healthcare facilities. VAMED's service business has a modular structure and comprises all facility management aspects in technical, commercial, and infrastructure terms, to the total operational management of healthcare objects.

On a global basis, VAMED was responsible in 2015 for the total operational management of 54 healthcare facilities with a total of some 7,000 beds on four continents. In facility management, VAMED provided services for more than 550 hospitals with a total of ca. 135,000 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 ensures 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 healthcare. The streamlining of procedures minimizes logistics costs and ensures the required quality of medical care.

The new portfolio of services 'International Training Programs' was further developed in 2015 with great success and covers a wide range of training requirements on international markets.
The following survey outlines relevant developments and events in our service business target markets:

Europe
In Austria, VAMED successfully continued in 2015 its more than 29-year long partnership with the General Hospital of the City of Vienna - Medical University Campus (AKH). VAMED has been in charge of facility management of the AKH since 1986 already. In 2015, VAMED was for the fourth time the renowned EFQM Quality Awards prize winner in the 'adding value for customers' category for its technical operational management of the AKH Vienna. As one of Europe's largest hospitals, the AKH Vienna comprises more than 30 clinics and institutes with about 2,100 beds.

Managed by VAMED, another new Rehabilitation Center in Enns, Upper Austria, was put into operation in 2015. Ensuring high-quality service standards at all our rehabilitation centers is an essential VAMED objective. Being in charge of now twelve rehabilitation centers, VAMED is the largest private provider of rehabilitation services in Austria.

In Germany, the VAMED and BAM consortium commenced operating activities for the operation and maintenance of the buildings of the University Hospital Schleswig-Holstein at the Kiel and Lübeck locations. Since 2015, VAMED has been operating the Central Sterilization Facility for the Kassel Hospital in a joint venture with Kassel Hospital.

In Berlin, Charité CFM Facility Management GmbH, 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 this order, one of the largest ever placed in the European hospitals sector.

In Switzerland, VAMED operates two important rehabilitation facilities: the renowned Rehabilitation Clinic Zihlschlacht, and kneipp-hof Dussnang Canton Thurgau. In the Czech Republic, VAMED continued in 2015 its successful management of the Mediterra Hospitals on eight locations with a total of about 1,000 beds.

In Kosovo, the first phase of an IT contract for the implementation of an e-health system for the networking of ca. 90 healthcare facilities was successfully completed. Eventually, this innovative system will integrate more than 360 healthcare facilities.

Africa
In Gabon, VAMED is in charge of the total operational management of six regional hospitals and of the facility management of the HIAOBO Hospital in Libreville, of the Angondje Hospital and of the Centre Hospitalier in Libreville. The "Continued and Further Education Project" – commissioned by the Ministry of Health – for the regional hospitals operated by VAMED was continued successfully in 2015.

Middle East and Asia
In Abu Dhabi, a 20-year total operational management contract for the ca. 275-bed Al Reem Integrated Health & Care Center was signed as a lifecycle project.

In the United Arab Emirates, the management assistance contracts for two hospitals, the 250-bed Sheikh Khalifa Specialized Hospital Ras Al Khaimah, and the 205-bed Sheikh Khalifa General Hospital Umm Al Quwain, were continued.

In China, VAMED was commissioned with the operational management of the future 325-bed private hospital, including rehabilitation clinic, in Hainan on the basis of a further lifecylce project.

VAMED Vitality World

Owing to increasing health consciousness, thermal spas and wellness resorts have been gaining in importance. VAMED Vitality World, with more than 3.1 million guests a year, managed to bridge the gap between preventive medicine and health tourism. In Austria, VAMED is the market leader with eight thermal and health resorts.

In July 2015, the groundbreaking ceremony for the renovation and expansion of Therme Laa Hotel & Spa****s took place. Following completion in 2016, a new Silent SPA, in an architecturally innovative environment, will supplement the existing facilities.
In Hungary, VAMED Vitality World can look back on its first year of successful operational management in 2015 of Aquaworld Resort Budapest, which was added in 2014 as the ninth VAMED Vitality World facility. This 4*-Superior Resort is also Hungary's largest thermal resort. In Budapest, thermal spas may refer to a centuries-old tradition and are well known far beyond Hungary's borders.

In 2015, one focus was the expansion of the "Relax! One-day Holiday" offer at VAMED Vitality World facilities. Relax Guides 2016 awarded the highest rating to Geinberg[5] Private Spa Villas. At the World Travel Awards, St. Martins Spa & Lodge was the winner in the category "Austria's Leading Resort 2015", and Geinberg[5] Private Spa Villas won the prestigious "Europe's Leading Lifestyle Resort 2015" award.

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

1.3.1 Results of operations

In the fiscal year 2015, the VAMED group managed to increase consolidated sales from T€ 1,042,283 to T€ 1,117,618, or by about 7 %.

Breakdown of sales by division:

in T€	2015	2014	Changes
Project business	574,981	557,884	3.1%
Service business	542,637	484,399	12.0%
Total	**1,117,618**	**1,042,283**	**7.2%**

Earnings before taxes and non-controlling interests (EBT) amounted to € 61.2 million, up some € 3.2 million (or about 5.5 %) against the previous year.

The financial result is € -2.4 million, or € 1.2 million below last year's result of € -1.2 million, which is largely the result of the very low interest rate level and leveraged acquisitions.

Taxes on income and earnings rose by about € 0.3 million to about € 16.1 million. Based on EBT, the tax ratio is 26.2 % (previous period: 27.1 %).

1.3.2 Assets and liabilities

in T€	Dec. 31, 2015	%	Dec. 31, 2014	%
ASSETS				
Current assets	659,770	67%	583,116	65%
Property, plant and equipment; goodwill; other intangible assets	174,865	18%	173,232	20%
Other non-current assets	153,787	15%	134,936	15%
Balance sheet total	**988,422**	**100%**	**891,284**	**100%**
PASSIVA				
Short-term liabilities	461,337	46%	408,925	46%
Long-term liabilities	212,949	22%	197,339	22%
Shareholders' equity	314,136	32%	285,020	32%
Balance sheet total	**988,422**	**100%**	**891,284**	**100%**

Investments

The following investments were made by the VAMED group:

in T€	2015	2014
Property, plant and equipment	10,378	7,000
Other intangible assets	1,034	2,646
Total	**11,412**	**9,646**

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€	2015	2014	Changes
Order intake (project business)	903,852	839,521	7.7%
Sales	1,117,618	1,042,283	7.2%
Operating result before interest, taxes, depreciation, amortization (EBITDA)	74,813	71,267	5.0%
EBITDA margin	6.7%	6.8%	
Operating result (EBIT)	63,646	59,283	7.4%
EBIT margin	5.7%	5.7%	
Earnings before taxes (EBT)	61,223	58,049	5.5%
EBT margin	5.5%	5.6%	
Result attributable to the parent's shareholders	44,169	41,191	7.2%
Balance sheet total	988,422	891,284	10.9%
Shareholders' equity	314,136	285,020	10.2%
Equity ratio	31.8%	32.0%	
Tax ratio (based on EBT)	26.2%	27.1%	

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:

- our unique overall competencies in the healthcare 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;
- our 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 such standards;
- integration into a large international group operating in the healthcare 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.

In 2015, also a Clinical Code of Conduct was introduced that governs the professional relationship between medical staff and patients. The VAMED Code of Conduct, the first e-learning project, was made available to all VAMED staff already in 2013 in the German, English and Czech languages. In 2014, the second e-learning module regarding IT Security was implemented in German and English. All newly employed staff members must complete this e-learning module. The Code of Conduct module in particular must be repeated by all staff members annually to ensure they all are adequately trained on that topic.

For more than a decade 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 and further developing 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 risks.

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 2015 with consistency and will be continued in a targeted manner in 2016. The year 2008 saw the start of the VAMED group's first trainee program. In 2015, seven trainees completed with success the 4th VAMED Trainee Program focusing on Technical Services and Controlling.

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 nine Communities of Practice across entities. Furthermore, 57 project-specific teamspaces were used. VAMED staff access the knowledge portal about 8,500 times a day to retrieve information and actively exchange information beyond the limits of their departments or companies.

In 2013, we clustered and networked the know-how of the highly competent physicians working for VAMED into the International Medical Board (IMB), a new international knowledge platform. In 2015, these activities were further developed with success with regard to our more than 650 physicians.

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

Staff

In 2015, the consolidated companies of the VAMED group had on average 919 manual employees, 6,970 non-manual employees, and 166 apprentices (previous period: 838 manual employees, 6,517 non-manual employees, and 174 apprentices). The total average number of staff employed rose by 283, the result of changes in the consolidated group in the current year, as well as of the first consolidation of the companies kneipp-hof Dussnang AG and Neurologisches Therapiezentrum Gmundnerberg GmbH as of July 1, 2014.

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 2015, VAMED continued its successful strategy to increasingly offer overall implementation models with a major focus on total operational management for healthcare facilities.

The complexity of sophisticated services in both national and international healthcare 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 healthcare 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 healthcare sector.

A targeted further development of core competencies from the services division 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 healthcare facilities we have detailed plans and protective measures for our staff, our patients and guests in place to ensure the continued functioning of those healthcare 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 2016 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 healthcare facilities along VAMED's value chain. A particular future focus will be on the development of integrated healthcare models. With its unique product portfolio in the prevention, acute care, rehabilitation and nursing areas VAMED will continue its successful path in the fiscal year 2016.

VAMED in general differentiates between established and developing healthcare markets. In particular in established healthcare markets, characterized by increasing cost pressure and rising cost awareness, our services are much in demand. In addition to increasing efficiency through professional technical, infrastructure or commercial management, there are a vast number of novel processes indirectly controlled by procedures in the medical and nursing fields that bear substantial potential for additional improved efficiency. VAMED plays an innovative and leading role in the continued development of these processes.

In addition to our services, the adaptation of healthcare facilities' infrastructure in the established target markets, in particular in connection with life-cycle and PPP models, is much in demand.

In VAMED's fast growing healthcare markets, providing efficient healthcare systems that meet people's needs continues to have priority. While work to develop primary supply structures has largely been completed, a considerable focus in many markets is now on promoting the availability of secondary healthcare and on creating tertiary as well as teaching and research structures within Centers of Excellence.

Also in a large number of Asian, Middle Eastern as well as African markets there is increasing demand for professional services in accordance with European standards. This in turn generates demand in developing 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 our project business. Customer-oriented offers in rehabilitation, nursing, and preventive care meet with increasing interest in these markets, too. Through a comprehensive service portfolio, professionalism and reliability, VAMED has managed to build up an excellent reputation at both national and international levels over the past years. Also in 2016, VAMED will be determined to live up to the standards of high reputation and trust placed by partners and customers at home and abroad in our competence and 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 pursuing innovative approaches and developing quality solutions and ensuring their successful implementation. Living up to the VAMED motto: 'think global, act local' also in 2016, VAMED will continue to offer and expand for all our customers and partners 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 – for the benefit of people's health and to ensure quality for our patients and our staff alike.

Vienna, March 4, 2016

The Executive Board

Dr. Ernst Wastler
Chairman of the Executive Board

Mag. Thomas Karazmann
Member of the Executive Board

Mag. Gottfried Koos
Member of the Executive Board

MMag. Andrea Raffaseder
Member of the Executive Board

CONSOLIDATED FINANCIAL STATEMENTS 2015

Condensed CONSOLIDATED FINANCIAL STATEMENTS of VAMED AG VIENNA for the fiscal year January 1 to December 31, 2015

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".

VAMED **GROUP – INCOME STATEMENT**

January 1 to December 31, in T€	Note(s)	2015	2014
Sales	3	1,117,618	1,042,283
Cost of sales	4, 5	-982,789	-903,740
Gross profit		**134,829**	**138,543**
Selling and general administrative expenses	6	-74,379	-80,853
Other expenses	7	-186	-1,060
Other income	7	3,382	2,653
Operating result (EBIT)		**63,646**	**59,283**
Interest income	8	2,383	3,445
Interest expenses	9	-4,806	-4,679
Earnings before taxes (EBT)		**61,223**	**58,049**
Income taxes	10	-16,062	-15,746
Earnings after income taxes (EAT) = net income		**45,161**	**42,303**
Attributable to non-controlling interests	11	-992	-1,112
Attributable to the parent's shareholders		**44,169**	**41,191**

VAMED **GROUP – STATEMENT OF COMPREHENSIVE INCOME**

January 1 to December 31, in T€	Note(s)	2015	2014
Earnings after income taxes (EAT) = net income		**45,161**	**42,303**
Other Comprehensive Income (Loss)			
Positions which will be reclassified into net income in subsequent years		**-904**	**-2,483**
Cash flow hedges		791	-1,566
Foreign currency translation		-1,416	-1,390
Income taxes on positions which will be reclassified		-279	473
Positions which will not be reclassified into net income in subsequent years		**-2,858**	**-7,435**
Actuarial losses on defined pension plans		-3,136	-7,397
Other items (mainly severance pay provisions)		-268	-2,029
Income taxes on positions which will not be reclassified		546	1,991
Other Comprehensive Income (loss)		**-3,763**	**-9,918**
Total Comprehensive Income		**41,398**	**32,385**
Attributable to non-controlling interests		**-1,058**	**-1,355**
Group income statement		-992	-1,112
Other Comprehensive Income (loss)		-66	-243
Comprehensive income attributable to the parent's shareholders		**40,340**	**31,030**

VAMED **GROUP – BALANCE SHEET**

ASSETS

as at December 31, in T€	Note(s)	2015	2014
Cash and cash equivalents	12	80,441	68,262
Trade accounts receivable less allowances for doubtful accounts	13	176,667	181,472
Accounts receivable from and loans to related parties	14	56,302	51,545
Inventories	15	283,953	235,166
Prepaid expenses and other current assets	16	62,407	46,671
Total current assets		**659,770**	**583,116**
Property, plant and equipment	17	71,351	68,454
Goodwill	18	99,133	99,344
Other intangible assets	18	4,381	5,434
Deferred taxes	10	15,124	13,228
Other non-current assets	13, 16, 19	138,663	121,708
Total non-current assets		**328,652**	**308,168**
Total assets		**988,422**	**891,284**

LIABILITIES AND SHAREHOLDERS' EQUITY

as at December 31, in T€	Note(s)	2015	2014
Trade accounts payable	20	195,092	168,630
Short-term trade accounts payable to related parties	21	822	4,094
Short-term accrued expenses and other short-term liabilities	22, 23	200,447	165,627
Short-term borrowings	24	8,045	12,678
Short-term loans from related parties	24	48,442	48,754
Current portion of long-term debt and liabilities from capital lease obligations	24	1,880	1,850
Short-term accruals for income taxes	25	6,609	7,292
Total short-term liabilities		**461,337**	**408,925**
Long-term debt and liabilities from capital lease obligations, less current portion	24	21,014	21,035
Long-term liabilities and loans from related parties	24	82,067	74,515
Long-term accrued expenses and other long-term liabilities	22, 23	56,659	56,081
Pension liabilities	26	30,519	26,616
Deferred taxes	10	22,690	19,092
Total long-term liabilities		**212,949**	**197,339**
Equity attributable to non-controlling interests		**6,552**	**6,067**
Subscribed capital	27	10,000	10,000
Capital reserve	27	41,033	41,119
Other reserves	27	285,969	253,489
Accumulated Other Comprehensive Income (Loss)	28	-29,418	-25,655
Equity attributable to the parent's shareholders' equity		**307,584**	**278,953**
Total shareholders' equity		**314,136**	**285,020**
Total liabilities and shareholders' equity		**988,422**	**891,284**

VAMED GROUP – CASH FLOW STATEMENT

January 1 to December 31, in T€	2015	2014
Cash provided by/used for operating activities		
Attributable to the parent's shareholders	44,169	41,191
Attributable to non-controlling interests	992	1,112
Adjustments to reconcile group net income (EAT) to cash and cash equivalents provided by operating activities		
Depreciation and amortization	11,167	11,984
Changes in deferred taxes	2,566	-273
Gain/loss on sale of fixed assets	-45	24
Other expenses/income not recognized as cash	1,127	1,182
Change in assets and liabilities, net of amounts from businesses acquired or disposed of		
Changes in accounts receivable, net	3,409	-38,405
Changes in inventories	-48,461	-98,885
Changes in prepaid expenses and other current assets	-21,273	-4,337
Changes in accounts receivable from/payable to related parties	-2,087	-1,294
Changes in accounts payable, accruals and other liabilities	62,242	79,597
Changes in accruals for income tax	-671	-512
Cash provided by/used for operating activities	**53,135**	**-8,616**
Cash provided by/used for investment activities		
Purchase of property, plant and equipment	-11,412	-9,646
Proceeds from the sale of property, plant and equipment	405	140
Acquisition of investments, net	-3,619	-9,891
Proceeds from divestitures	103	178
Proceeds from/repayment of borrowings to related parties	-11,148	-17,484
Cash provided by/used for investment activities	**-25,671**	**-36,703**
Cash provided by/used for financing activities		
Proceeds from/repayment of short term loans	-5,907	4,302
Proceeds from/repayment of borrowings from related parties	1,128	13,227
Proceeds from/repayment of long-term debt and liabilities from capital lease obligations	-403	250
Dividends paid	-10,035	-10,035
Changes in non-controlling interests	-68	-469
Cash provided by/used for financing activities	**-15,285**	**7,275**
Net change in cash and cash equivalents	**12,179**	**-38,044**
Cash and cash equivalents at the beginning of the year	**68,262**	**106,306**
Cash and cash equivalents at the end of the year	**80,441**	**68,262**
thereof: cash and cash equivalents subject to restricted disposition	2,500	2,500

VAMED GROUP – STATEMENT OF SHAREHOLDERS' EQUITY

in T€	Subscribed capital	Reserves: Capital reserve	Reserves: 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, 2013	**10,000**	**41,119**	**224,117**	**-15,737**	**259,499**	**3,284**	**262,783**
Effects of the inclusion of items in connection with FSE segment reporting (VAMED's goodwill and option reserve)	0	0	1,182	0	1,182	0	1,182
Other Comprehensive Income (Loss) Cash flow hedges	0	0	0	-1,093	-1,093	0	-1,093
Foreign currency translation	0	0	0	-1,390	-1,390	0	-1,390
Actuarial losses on defined pension plans	0	0	0	-5,924	-5,924	0	-5,924
Other items (mainly severance pay provisions)	0	0	0	-1,511	-1,511	-243	-1,754
Effect of changes of the consolidated group	0	0	-2,966	0	-2,966	2,383	-583
Creation and/or reversal of reserves	0	0	0	0	0	0	0
Dividends	0	0	-10,035	0	-10,035	-469	-10,504
Net income	0	0	41,191	0	41,191	1,112	42,303
As at December 31, 2014	**10,000**	**41,119**	**253,489**	**-25,655**	**278,953**	**6,067**	**285,020**
Effects of the inclusion of items in connection with FSE segment reporting (VAMED's goodwill and option reserve)	0	0	1,127	0	1,127	0	1,127
Other Comprehensive Income (Loss) Cash flow hedges	0	0	0	512	512	0	512
Foreign currency translation	0	0	0	-1,416	-1,416	0	-1,416
Actuarial losses on defined pension plans	0	0	0	-2,632	-2,632	0	-2,632
Other items (mainly severance pay provisions)	0	0	0	-227	-227	-439	-666
Effect of changes of the consolidated group	0	0	-2,781	0	-2,781	0	-2,781
Creation and/or reversal of reserves	0	-86	0	0	-86	0	-86
Dividends	0	0	-10,035	0	-10,035	-68	-10,103
Net income	0	0	44,169	0	44,169	992	45,161
As at December 31, 2015	**10,000**	**41,033**	**285,969**	**-29,418**	**307,584**	**6,552**	**314,136**

GENERAL NOTES

GENERAL NOTES

1. General

I. Group structure

The VAMED group is a global provider of services in healthcare. 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), Bad Homburg v.d.H., 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 61352 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 abbreviations as used within the group. 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. Acquisitions of companies are accounted for applying the purchase method.

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.
As at the end of the fiscal year 2015, VAMED's consolidated financial statements include VAMED AG and 26 (2014: 24) Austrian as well as 40 (2014: 33) foreign companies.

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

First consolidation of the following companies in 2015:

- HBE	HERMED Medrott Medical BVBA, Antwerp, Belgium
- HNL	HERMED Medrott Medical B.V., Oostvoorne, The Netherlands
- KLT	Krankenhaus-Logistik Thüringen GmbH, Erfurt, Germany
- KMN	Krankenhaus Medizintechnik NRW GmbH, Berlin, Germany
- RKB GmbH	Rehabilitationszentrum Kitzbühel Betriebs-GmbH, Kitzbühel, Austria
- RKB KG	Rehabilitationszentrum Kitzbühel Betriebs-GmbH & Co KG, Kitzbühel, Austria
- VMS-CH	VAMED Management und Service Schweiz AG, Zihlschlacht-Sitterdorf, Switzerland
- V-NL	VAMED Nederland B.V., Arnheim, The Netherlands
- VPH-F	VAMED Projets Hospitaliers Internationaux France S.A.S., Neuilly-sur-Seine, France

HBE and HNL were acquired in May 2015 and integrated into the consolidated VAMED group as of June 1, 2015.

KLT and KMN were acquired in December 2015 and have been included in the consolidated VAMED group since the date of acquisition.

In its first full year of operation, RKB KG has been included in the consolidated group as of January 1, 2015 (in accordance with internal guidelines). Its limited partner, the GmbH, has also been part of the consolidated group since January 1, 2015.

VMS-CH was founded in December 2014 and, since January 2015, has been the holding company for the Swiss hospital companies (KHD and RZS). It has been part of the consolidated group since January 1, 2015.

V-NL and VPH-F commenced business activities in the year 2015 and have therefore been part of the consolidated group since January 1, 2015.
In the year under review, there were no deconsolidations.

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, on a preliminary basis, turned over € 106 million (in 2014: € 103 million). These SPEs are mainly financed through debt, participation rights and investment grants. Assets and liabilities relating to these project companies are not material. The VAMED group made no payments to these project companies other than contractually stipulated. From today's perspective and due to existing contractual regulations, the VAMED group is not exposed to any material risk of loss from these project companies.

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. To the extent required, certain items in the consolidated financial statements 2014 have been reclassified to conform with the presentation in 2015.

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 assets' 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 2015, as in the previous period, no interest on borrowed capital was capitalized.

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 realizability of the carrying amount of a deferred tax asset is reviewed at each balance sheet date. In assessing the realizability of deferred tax assets the Management considers to which extent it is probable that the deferred tax asset will be realized. Realization of deferred tax assets is dependent on the generation of future taxable income during periods in which those temporary differences and tax loss carryforwards become deductible. In making this assessment, the Management considers the expected reversal of deferred tax liabilities and projected future taxable income.

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 allowances 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.

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.

As at the balance sheet date, assets did not include any non-amortizable intangible assets with indefinite useful lives.

Goodwill is 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 groups of cash-generating units (CGUs) and determined the carrying amount of each CGU by assigning to it assets and liabilities. 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 group of CGUs 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'.

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

The recoverability of goodwill recorded in VAMED's consolidated balance sheet was verified. As a result, the VAMED group did not record any goodwill impairment losses in 2015 and 2014.

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. Purchases and sales of financial assets are recognized on the trading day. The VAMED group has not made use of the fair value option, which allows financial assets or financial liabilities, upon initial recognition, to be classified at fair value through profit or loss.

The following categories (according to IAS 39, Financial Instruments: Recognition and Measurement) are relevant for the VAMED group: loans and receivables, financial liabilities measured at amortized cost, available for sale financial assets as well as financial liabilities/assets measured at fair value in the consolidated statement of income. Within the VAMED group, other categories of financial instruments exist to an insignificant extent only or not at all. In the fiscal year 2015, no financial instruments were reclassified.

The VAMED group categorizes its financial instruments as follows: cash and cash equivalents, assets recognized at carrying amount, liabilities recognized at carrying amount, derivatives for hedging purposes, assets recognized at fair value, liabilities recognized at fair value, and non-controlling interests subject to put provisions recognized at fair value.

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.

Derivatives embedded in host contracts, if any, are accounted for as separate derivatives if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognized in the income statement.

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.

The filing of a suit or formal assertion of a claim, or the disclosure of any such suit or assertion, does not necessarily indicate that an accrual of a loss is appropriate.

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.

Accruals for warranties and complaints are estimated based on historical experience.

Tax accruals include obligations for the current year and for prior years.

Non-current accruals with a remaining period of more than one year are discounted to the present value of the expenditures expected to settle the obligation.

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, 2015, 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. The pension liability results from the benefit obligation less the fair value of plan assets.

Remeasurements include actuarial gains and losses resulting from the evaluation of the defined benefit obligation as well as from the difference between actual return on plan assets and the expected return on plan assets at the beginning of the year used to calculate the net interest costs.

Remeasurement 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, determined in accordance with financial mathematics models, is amortized over the blocking period using values.

The measurement date fair value of cash-settled phantom stocks granted to members of the Executive Board and to senior executives of the VAMED group is calculated using the Monte Carlo simulation. The corresponding liability based on the measurement date fair value is accrued over the vesting period of the phantom stock plans.

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€ 137 (previous period: T€ 529) as other expenses and T€ 808 (previous period: T€ 278) 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, 2015	Dec. 31, 2014	**2015**	**2014**
AED (United Arab Emirates dirham) per €	3.999	4.459	4.075	4.880
CHF (Swiss franc) per €	1.084	1.202	1.068	1.215
CZK (Czech crown) per €	27.025	27.725	27.279	27.535
RUB (Russian ruble) per €	80.674	72.337	68.072	50.952
TTD (Trinidad and Tobago dollar) per €	6.991	7.611	6.923	8.348
USD (US dollar) per €	1.089	1.214	1.110	1.329

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. Estimates and discretionary decisions are required in particular for the positions trade accounts receivable, inventory, deferred tax assets, and pension liabilities as well as for the examination of the recoverability of goodwill.

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 for fiscal years starting on January 1, 2015.

In the fiscal year 2015, no standards of importance for the business activity of the VAMED group have been applied for the first time.

aa) Recent pronouncements not yet applied

The 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, 2016:

In May 2014, the IASB issued IFRS 15, Revenue from Contracts with Customers. Simultaneously, the Financial Accounting Standards Board (FASB) published its equivalent update of the accounting standard Accounting Standards Update 2014-09 (ASU 2014-09), FASB Accounting Standards Codification (ASC) Topic 606, Revenue from Contracts with Customers. These two standards are the result of a major convergence project between FASB and the IASB. IFRS 15 specifies how and when companies reporting under IFRS will recognize revenue as well as providing users of financial statements with more informative and relevant disclosures. IFRS 15 supersedes IAS 18, Revenue, IAS 11, Construction Contracts and a series of revenue-related interpretations. The standard applies to nearly all contracts with customers; major exceptions are lease contracts, financial instruments, and insurance contracts. In September 2015, the IASB issued the amendment Effective Date of IFRS 15, which defers the effective date of IFRS 15 by one year to fiscal years beginning on or after January 1, 2018. Earlier adoption is permitted. The VAMED group is currently looking into effects on the Consolidated Financial Statements.

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 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 2013, the IASB issued additions to IFRS 9, Financial Instruments, by introducing a new general hedge accounting model. This new model enables entities to reflect their risk management activities more flexibly. For liabilities elected to be measured at fair value, the changes to IFRS 9 introduce the possibility to recognize gains and losses, caused by a worsening in an entity's own credit risk, no longer in the Income Statement. The accounting for liabilities can be changed before applying any of the other requirements in IFRS 9. Furthermore, the IASB canceled the mandatory first application date of January 1, 2015. In June 2014, the IASB issued a new version of IAS 9, Financial Instruments. This IFRS 9 version is considered the final and complete version, thus, mainly replacing IAS 39 as soon as IFRS 9 is applied. It includes all prior guidance on the classification and measurement of financial assets and financial liabilities as well as hedge accounting and introduces requirements for impairment of financial instruments as well as modified requirements for the measurement categories of financial assets. The impairment provisions reflect a model that relies on expected losses (expected loss model). This model comprises a two stage approach: Upon recognition an entity shall recognize losses that are expected within the next twelve months. If credit risk deteriorates significantly, from that point in time impairment losses shall amount to lifetime expected losses. The provisions for classification and measurement are amended by introducing an additional third measurement category for certain debt instruments. Such instruments shall be measured at fair value with changes recognized in other comprehensive income (fair value through other comprehensive income). The standard is accompanied by additional disclosure requirements and is effective for fiscal years beginning on or after January 1, 2018. Earlier adoption is permitted.

The EU Commission's endorsements of IFRS 9, IFRS 15, and IFRS 16 are still outstanding.

In the VAMED group's view, all other pronouncements issued by the IASB, as expected, do not have a material impact on the Consolidated Financial Statements of the VAMED group. As a rule, the VAMED group adopts new reporting standards in the form and at the time these have been adopted for the consolidated financial statements of the majority shareholder FSE.

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

Goodwill represents a considerable part of the total assets of the VAMED group. As at December 31, 2015, and December 31, 2014, the carrying amounts of these items were € 99.1 million and € 99.3 million, respectively. This represented 10.0 % and 11.1 % of the balance sheet total and 31.6 % and 34.9 % of equity.
Impairment tests of goodwill 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 goodwill impairments, the fair value of the group of 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). Estimating 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 a planned income tax rate for the group of ca. 26.3 %. In the VAMED group, WACC (after income tax) is 5.64 %. 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 € 190.6 million and € 193.1 million in 2015 and 2014, respectively. The allowance for doubtful accounts was € 8.5 million and € 8.7 million as of December 31, 2015 and December 31, 2014, respectively.

2. Acquisitions and divestitures

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

- HBE HERMED Medrott Medical BVBA, Antwerp, Belgium
- HNL HERMED Medrott Medical B.V., Oostvoorne, The Netherlands
- KLT Krankenhaus-Logistik Thüringen GmbH, Erfurt, Germany
- KMN Krankenhaus Medizintechnik NRW GmbH, Berlin, Germany

The inclusion in the consolidated group of the above companies, as well as of kneipp-hof Dussnang AG, a company newly acquired in June of the previous year, on the basis of a preliminary purchase price allocation, had the following effects on sales, earnings, and the balance sheet (in € million):

Sales	8.3
EBITDA	0.7
EBIT	0.5
Net interest	0.0
Net income	0.5
Balance sheet total	0.6

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 division were as follows:

	2015	2014
Project business	574,981	557,884
Service business	542,637	484,399
Sales	**1,117,618**	**1,042,283**

Sales broken down by regions:

	2015	2014
Austria	402,623	402,476
Germany	210,513	154,624
Other European countries	219,440	250,170
Africa	96,279	117,593
Latin America	32,910	32,742
Asia	155,853	84,678
Sales	**1,117,618**	**1,042,283**

4. Cost of sales

Cost of sales comprised the following:

	2015	2014
Personnel	289,794	258,914
Material and third-party services, depreciation and amortization	692,995	644,826
Cost of sales	**982,789**	**903,740**

5. Personnel expenses

Cost of sales, selling and general administrative expenses included personnel expenses of T€ 335,078 and T€ 303,855 in 2015 and 2014, respectively.

	2015	2014
Wages and salaries	262,908	238,091
Social security contributions, cost of retirement benefits (incl, severance payments) and other personnel expenses	72,170	65,764
Personnel expenses	**335,078**	**303,855**

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

	2015	2014
Production and services	7,398	6,880
General administration	570	560
Sales and marketing	87	89
Total employees (heads)	**8,055**	**7,529**

6. Selling and general administrative expenses

Selling and general administrative expenses are broken down as follows:

	2015	2014
Selling expenses	16,799	18,586
General administrative expenses	57,580	62,267
Selling and general administrative expenses	**74,379**	**80,853**

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 the reversal of non-project-related accruals, income from insurance recovery payments, revaluation of guarantees, and other operating income.

8. Interest income

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

10. Income taxes

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.

	2015	2014
Computed 'expected' income tax expense	15,306	14,512
Increase (reduction) in income taxes resulting from: Items not recognized for tax purposes	1,809	1,924
Foreign tax rate differentials	27	146
Tax-free income	-919	-751
Taxes for previous years	129	35
Other	-290	-120
Income tax according to income statement	**16,062**	**15,746**
Effective tax rate	26.2 %	27.1 %

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

	2015			2014		
	Current tax	Deferred tax	Income taxes	Current tax	Deferred tax	Income taxes
Austria	4,218	1,294	5,512	4,771	2,569	7,340
Germany	3,564	1,196	4,760	3,923	-258	3,665
Other foreign countries	5,447	343	5,790	4,861	-120	4,741
Total	**13,229**	**2,833**	**16,062**	**13,555**	**2,191**	**15,746**

Deferred taxes

The tax effects of 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€ 15,124, deferred tax liabilities to T€ 22,690, resulting in net deferred tax liabilities of T€ 7,566.

As at the balance sheet date, deferred tax assets from loss carryforwards are recognized in the amount of T€ 8,975. In the previous period, that amount was T€ 7,897. 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, 32 group companies were subject to tax audits; 10 of these audits were completed.

11. Attributable to non-controlling interests

Non-controlling interests are held in API, HCC, HSB, HMT, NFM, NTG, TAU, VSB, and in the MED subsidiaries NTV and ALM; 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, 2015 and December 31, 2014, cash and cash equivalents included restricted items in the amount of T€ 2,500.

13. Trade accounts receivable

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

			2015			2014
	Short-term	Long-term	Total	Short-term	Long-term	Total
Trade accounts receivable	184,786	14,333	199,119	189,749	12,056	201,805
Less allowance for doubtful accounts	-8,119	-390	-8,509	-8,277	-407	-8,684
Trade accounts receivable, net	**176,667**	**13,943**	**190,610**	**181,472**	**11,649**	**193,121**

Accounts receivable of T€ 190,610 include T€ 1,758 related to Libyan projects.

14. Accounts receivable from and loans to related parties

As at December 31, these receivables were as follows:

	2015	2014
Trade accounts receivable	6,878	8,236
Receivables from financing and other clearing	49,424	43,309
Accounts receivable from and loans to related parties	**56,302**	**51,545**

As at December 31, 2015, and December 31, 2014, this item included receivables from the group companies FPS, FSE, and the Fresenius Kabi and Helios segments, in the amount of T€ 49,033 and T€ 42,801, respectively.

15. Inventories

As of December 31, inventories consisted of the following:

	2015	2014
Raw materials and purchased components	2,506	2,112
Services not yet invoiced valued acc. to CCM	57,533	52,888
valued acc. to PoC	221,715	178,129
Finished goods	2,199	2,037
Inventories	**283,953**	**235,166**

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, 2015, and December 31, 2014, advance payment offset amounts totaled T€ 563,920 and T€ 426,577, respectively.

Total inventories, amounting to T€ 283,953, include T€ 20,873 for Libyan projects. The Management assumes recoverability of both inventories and accounts receivable.

The companies of the VAMED group are obliged to purchase T€ 37,645 of goods and services on fixed terms, of which, on December 31, T€ 32,611 was committed for purchases for 2016. The terms of these agreements do not exceed 8 years. VAMED's purchase obligations that are matched by same-size purchase obligations on the customers' part 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:

	2015			2014		
	Short-term	Long-term	Total	Short-term	Long-term	Total
Prepayments	20,443	222	20,665	15,132	183	15,315
Receivables from fiscal authorities	14,311	356	14,667	8,177	459	8,636
Interest receivable	205	0	205	28	0	28
Prepaid expenses	6,761	12,404	19,165	5,913	13,570	19,483
Derivative financial instruments	83	0	83	223	0	223
Investments and long-term loans	0	82,025	82,025	0	73,570	73,570
Other assets	20,630	29,713	50,343	17,736	22,277	40,013
Prepaid expenses and other assets, gross	**62,433**	**124,720**	**187,153**	**47,209**	**110,059**	**157,268**
Less allowances	-26	0	-26	-538	0	-538
Prepaid expenses and other current and non-current assets	**62,407**	**124,720**	**187,127**	**46,671**	**110,059**	**156,730**

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.

In the fiscal year 2015, no depreciation was recognized on these assets (2014: T€ 581).

'Other non-current assets' also includes the long-term part of accounts receivable in the amount of T€ 13,945 (previous period: T€ 11,649).

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

17. Property, plant and equipment

As at December 31, 2015, and December 31, 2014, 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, 2015	Changes in entities consolidated	Additions/ Transfers	Disposals	Foreign currency translation	As at December 31, 2015
Land and land facilities	5,468	0	363	0	53	**5,884**
Buildings and improvements	56,835	11	1,204	-6	646	**58,691**
Machinery, equipment and rental equipment under capital leases	58,661	291	8,398	-4,257	1,251	**64,344**
Construction in progress	1,471	93	1,411	-73	39	**2,941**
Total	**122,435**	**395**	**11,376**	**-4,335**	**1,989**	**131,860**

Depreciation and amortization	As at January 1, 2015	Changes in entities consolidated	Additions/ Transfers	Disposals	Foreign currency translation	As at December 31, 2015
Land and land facilities	0	0	0	0	0	**0**
Buildings and improvements	16,716	1	2,085	-6	219	**19,016**
Machinery, equipment and rental equipment under capital leases	37,265	30	7,337	-3,973	834	**41,493**
Construction in progress	0	0	0	0	0	**0**
Total	**53,981**	**31**	**9,422**	**-3,979**	**1,053**	**60,509**

Acquisition and manufacturing costs	As at January 1, 2014	Changes in entities consolidated	Additions/ Transfer	Disposals	Foreign currency translation	As at December 31, 2014
Land and land facilities	2,052	3,460	0	-30	-14	**5,468**
Buildings and improvements	38,025	17,726	1,371	-166	-121	**56,835**
Machinery, equipment and rental equipment under capital leases	53,681	2,798	5,829	-3,504	-143	**58,661**
Construction in progress	1,224	15	307	-63	-12	**1,471**
Total	**94,981**	**23,999**	**7,507**	**-3,763**	**-289**	**122,435**

Depreciation and amortization	As at January 1, 2014	Changes in entities consolidated	Additions/ Transfer	Disposals	Foreign currency translation	As at December 31, 2014
Land and land facilities	0	0	0	0	0	**0**
Buildings and improvements	14,418	0	2,404	-103	-3	**16,716**
Machinery, equipment and rental equipment under capital leases	34,546	0	6,204	-3,427	-58	**37,265**
Construction in progress	0	0	0	0	0	**0**
Total	**48,965**	**0**	**8,608**	**-3,530**	**-61**	**53,981**

Carrying amounts	December 31, 2015	December 31, 2014
Land and land facilities	5,884	5,468
Buildings and improvements	39,675	40,119
Machinery, equipment and rental equipment under capital leases	22,851	21,396
Construction in progress	2,941	1,471
Total	**71,351**	**68,454**

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, 2015, and December 31, 2014, the carrying amounts of these items were T€ 2,316 and T€ 2,600, respectively.

18. Goodwill and other intangible assets

As at December 31, 2015, and December 31, 2014, 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, 2015	Changes in entities consolidated	Additions/ Transfer	Disposals	Foreign currency translation	As at December 31, 2015
Goodwill (non-regular amortization)	99,969	7	156	-374	0	**99,758**
Other (regular amortization)	23,676	539	1,081	-282	126	**25,140**
Total	**123,645**	**546**	**1,237**	**-656**	**126**	**124,898**

Depreciation and amortization	As at January 1, 2015	Changes in entities consolidated	Additions/ Transfer	Disposals	Foreign currency translation	As at December 31, 2015
Goodwill (non-regular amortization)	625	0	0	0	0	**625**
Other (regular amortization)	18,242	217	2,427	-279	153	**20,759**
Total	**18,867**	**217**	**2,427**	**-279**	**153**	**21,384**

Acquisition and manufacturing costs	As at January 1, 2014	Changes in entities consolidated	Additions/ Transfers	Disposals	Foreign currency translation	As at December 31, 2014
Goodwill (non-regular amortization)	85,805	14,164	0	0	0	**99,969**
Other (regular amortization)	21,317	177	2,345	-170	7	**23,676**
Total	**107,122**	**14,341**	**2,345**	**-170**	**7**	**123,645**

Depreciation and amortization	As at January 1, 2014	Changes in entities consolidated	Additions/ Transfers	Disposals	Foreign currency translation	As at December 31, 2014
Goodwill (non-regular amortization)	625	0	0	0	0	**625**
Other (regular amortization)	15,610	0	2,795	-170	7	**18,242**
Total	**16,235**	**0**	**2,795**	**-170**	**7**	**18,867**

Carrying amounts	December 31, 2015	December 31, 2014
Goodwill (non-regular amortization)	99,133	99,344
Other (regular amortization)	4,381	5,434
Total	**103,514**	**104,778**

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€ 315 (previous period: T€ 179) and to non-consolidated companies of T€ 507 (previous period: T€ 3,915).

22. Accrued expenses

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

	2015			2014		
	Short-term	Long-term	Total	Short-term	Long-term	Total
Personnel expenses	16,575	33,459	50,034	18,341	32,593	50,934
Warranty	1,435	80	1,515	1,179	80	1,259
Invoices outstanding	56,878	3,907	60,785	37,227	3,511	40,738
Other accrued expenses	9,193	461	9,654	8,581	507	9,088
Accrued expenses	**84,081**	**37,907**	**121,988**	**65,328**	**36,691**	**102,019**

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

	As at January 1, 2015	Changes in entities consolidated	Additions	Transfer	Consumption	Dissolution	As at December 31, 2015
Personnel expenses	50,934	200	13,016	0	-13,136	-981	50,034
Warranty	1,259	0	995	0	-182	-557	1,515
Invoices outstanding	40,738	279	52,234	0	-28,385	-4,081	60,785
Other accrued expenses	9,088	66	9,043	0	-8,047	-495	9,654
Accrued expenses	**102,019**	**545**	**75,287**	**0**	**-49,749**	**-6,114**	**121,988**

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:

	2015			2014		
	Short-term	Long-term	Total	Short-term	Long-term	Total
Social-security-related liabilities	5,368	0	5,368	5,285	0	5,285
Personnel liabilities	5,698	170	5,868	5,259	193	5,452
Tax liabilities	18,938	26	18,964	18,622	0	18,622
Non-current trade accounts payable	0	4,375	4,375	0	3,565	3,565
Deferred income	7,409	342	7,751	7,259	685	7,944
Derivative financial instruments	665	245	910	1,645	0	1,645
Miscellaneous other liabilities	19,954	3,986	23,940	9,645	4,268	13,913
Other liabilities	**58,032**	**9,144**	**67,176**	**47,715**	**8,711**	**56,426**
Long-term accruals for income taxes	**0**	**18**	**18**	**0**	**0**	**0**
Advance payments received	**58,333**	**9,590**	**67,923**	**52,584**	**10,678**	**63,262**

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:

	2015			2014		
	Short-term	Long-term	Total	Short-term	Long-term	Total
Long-term borrowings	1,585	18,968	20,553	1,681	20,443	22,124
Lease obligations	295	2,046	2,341	169	592	761
Long-term debt and liabilities from capital lease obligations	**1,880**	**21,014**	**22,894**	**1,850**	**21,035**	**22,885**

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

Guaranteed 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.

	2015	2014
Benefit obligations at the beginning of the year	**65,759**	**47,181**
Changes in entities consolidated	0	7,957
Foreign currency translation	3,594	550
Service cost	2,927	1,903
Prior service cost	74	-1
Interest cost	1,160	1,376
Contributions by plan participants	1,452	934
Transfer	3,365	902
Revaluation gains (-) and losses (+)	2,030	7,789
Thereof adjustments according to experience	*1,517*	*35*
Thereof changes in financial and demographic assumptions	*513*	*7,754*
Benefits paid	-3,601	-2,832
Amendments	0	0
Benefit obligations at the end of the year	**76,760**	**65,759**
Thereof vested	54,082	46,928
Fair value of plan assets at the beginning of the year	**39,143**	**29,859**
Changes in entities consolidated	0	6,556
Foreign currency translation	2,759	433
Interest income arising from plan assets	775	1,009
Revaluation gains (-) and losses (+)	-379	392
Contributions by the employer	2,520	1,699
Contributions by plan participants	1,452	934
Transfer	3,374	902
Benefits paid	-3,404	-2,641
Fair value of plan assets at the end of the year	**46,241**	**39,143**
Funded status as of December 31	**30,519**	**26,616**

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:

	2015	2014
Discount rate	1.44 %	1.74 %
Rate of compensation increase	1.60 %	1.86 %
Rate of pension increase	0.74 %	0.85 %

In the year under review, benefit costs in the amount of T€ 3,385 (previous period: T€ 2,270) accrued for VAMED group's defined benefit pension plans, which are composed as follows:

	2015	2014
Service cost	3,001	1,903
Interest cost, net	384	367
Net periodic benefit cost	**3,385**	**2,270**

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:

	2015	2014
Discount rate	1.74 %	2.69 %
Rate of compensation increase	1.86 %	2.00 %
Rate of pension increase	0.85 %	1.02 %

Losses in connection with accumulated benefit obligations mainly result from changes in the discount rates on which actuarial computations are based.

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, 2015:

Rate of pension increase	0.5 points rise	0.5 points fall
Discount rate	-5,043	5,788
Rate of compensation increase	801	-767
Rate of pension increase	4,204	-1,929

Sensitivity calculations are based on the average term of pension obligations as at December 31, 2015. 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, 2015.

The following table shows the expected future benefit payments:

Expected benefit payments	**For the fiscal years**
3,715	2016
3,563	2017
3,339	2018
3,459	2019
3,385	2020
16,800	2021 bis 2025
Total 34,261	**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:

	2015	2014
Investment fund for shares	25.96 %	26.40 %
Bond funds	43.67 %	44.61 %
Real estate funds	13.16 %	12.02 %
Other	17.21 %	16.97 %

The 'Other' portion of the plan assets is determined on the basis of Level 1 and 2 ('Fair Value Measurement', approx. 32 % and 68 %, respectively).

Defined contribution plans

VAMED group's total expense under defined contribution plans for the year under review was T€ 1,412 (previous period: T€ 1,387).

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, 2015	Changes	Before taxes December 31 2015	Tax effect January 1, 2015	Changes	Tax effect December 31, 2015	After taxes January 1, 2015	After taxes December 31, 2015
Cash flow hedges	-1,637	791	-847	491	-279	212	-1,146	-635
Foreign currency translation	-3,041	-1,416	-4,457	0	0	0	-3,041	-4,457
Actuarial losses and defined pension plans	-19,318	-3,136	-22,454	4,221	505	4,726	-15,097	-17,728
Other items (mainly severance pay provisions)	-8,292	-268	-8,561	1,921	42	1,963	-6,371	-6,598
Other Comprehensive Income (Loss)	**-32,288**	**-4,030**	**-36,319**	**6,633**	**268**	**6,901**	**-25,655**	**-29,418**

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 2015 amounted to T€ 29,896, in the previous period to T€ 26,656.

For the first to the fifth subsequent year, obligations under these contracts amount to T€ 92,773, then to T€ 123,218 (previous period: T€ 69,181, and T€ 81,904).

The VAMED group has contingent liabilities in an assessable amount of € 30.4 million max. (previous period: € 37.7 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 or of the Fresenius group.

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€ 2,026 (previous period: T€ 1,967).
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, Chairman
Dkfm. Stephan Sturm, Deputy Chairman
Dr. Robert Hink
KR Karl Samstag
Mag. Andreas Schmidradner

Employees' representatives:
Josef Artner
Mag. (FH) Thomas Hehle
Ing. Robert Winkelmayer

The Supervisory Board compensation is fixed by the VAMED AG General Meeting and in the year under review, as well as in the previous period, amounted to T€ 103.

37. Auditor's fees

In 2015 and 2014, the fees for the auditor Deloitte Audit Wirtschaftsprüfungs GmbH, Vienna, and other Deloitte companies abroad, were expensed as follows:

	2015		2014	
	Total	Thereof Austria	Total	Thereof Austria
Audit fees	340	228	299	206
Tax consulting fees	224	209	13	0
Other fees	17	17	161	161
Total auditor's fee	**581**	**454**	**473**	**367**

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, March 4, 2016

The Executive Board

Dr. Ernst Wastler
Chairman of the Executive Board

Mag. Thomas Karazmann
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, 2015

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

Fully consolidated companies:

Abbreviation	Company, location	Capital interest %
VAG	VAMED AG, Vienna, Austria	
ALM	ALMEDA, a.s., Neratovice, Czech Republic	95.20
API	API Betriebs gemeinnützige GmbH, Vienna, Austria	60.00
CLP	Centrum léčby pohybového aparátu, s.r.o., Prague, Czech Republic	100.00
GHG	Gmundnerberg Holding GmbH, Bad Sauerbrunn, Austria	100.00
HBE	HERMED Medrott Medical BVBA, Antwerp, Belgium	100.00
HCC	H.C. Hospital Consulting S.p.A., Bagno a Ripoli (Florence), Italy	92.71
HI	hospitalia international gmbh, Bad Homburg v.d.H., Germany	100.00
HMT	HERMED Medizintechnik Schweiz AG, Rapperswil-Jona, Switzerland	56.00
HNL	HERMED Medrott Medical B.V., Oostvoorne, The Netherlands	100.00
HSB	Heilbad Sauerbrunn Betriebsgesellschaft m.b.H., Bad Sauerbrunn, Austria	95.00
HTB	HERMED Technische Beratungs GmbH, Kirchheimbolanden, Germany	100.00
KHD	kneipp-hof Dussnang AG, Fischingen, Switzerland	100.00
KLB	Krankenhaus-Logistik Berlin-Brandenburg-Niedersachsen GmbH, Bad Saarow, Germany	100.00
KLS	Krankenhaus-Logistik Schleswig-Holstein GmbH, Damp, Germany	100.00
KLT	Krankenhaus-Logistik Thüringen GmbH, Erfurt, Germany	100.00
KMN	Krankenhaus Medizintechnik NRW GmbH, Berlin, Germany	100.00
KSB	Krankenhaus-Sterilisation Berlin GmbH, Bad Saarow, Germany	100.00
KSM	Krankenhaus-Service Mecklenburg-Vorpommern GmbH, Stralsund, Germany	100.00
KSW	Krankenhaus-Sterilisation Baden-Württemberg GmbH, Mühlheim, Germany	100.00
KTB	Krankenhaus-Technik Berlin-Brandenburg-Niedersachsen GmbH, Bad Saarow, Germany	100.00
KTL	Krankenhaus-Technik-Logistik Mecklenburg-Vorpommern GmbH, Schwerin, Germany	100.00
KTN	Krankenhaus-Technik Nordrhein-Westfalen GmbH, Bad Berleburg, Germany	100.00
KTS	Krankenhaus-Technik Schleswig-Holstein GmbH, Damp, Germany	100.00
KTT	KTT Krankenhaus-Technik Thüringen GmbH, Erfurt, Germany	100.00
MED	MEDITERRA s.r.o., Prague, Czech Republic	100.00
MED-H	VAMED MEDITERRA a.s., Prague, Czech Republic	100.00
MEL	Mělnická zdravotní, a.s., Mělnik, Czech Republic	100.00
NET	MEDNET s.r.o., Prague, Czech Republic	100.00
NFM	Niederösterreichische Facility Management GmbH, Wiener Neustadt, Austria	60.00
NSZ	Nemocnice sv. Zdislavy, a.s., Velké Meziříčí, Czech Republic	100.00
NTG	Neurologisches Therapiezentrum Gmundnerberg GmbH, Altmünster, Austria	60.00
NTK	Neurologisches Therapiezentrum Kapfenberg GmbH, Kapfenberg, Austria	90.00
NTV	Nemocnice Tanvald, s.r.o., Tanvald, Czech Republic	0.30
PKS GmbH	PKS Privatklinik Salzburg GmbH, Salzburg, Austria	100.00

LIST OF INVESTMENTS OF VAMED GROUP AS AT DECEMBER 31, 2015

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

Abbreviation	Company, location	Capital interest %
PKS KG	PKS Privatklinik Salzburg GmbH & Co KG, Salzburg, Austria	100.00
RBB GmbH	Rehaklinik Wien Baumgarten Betriebs-GmbH, Vienna, Austria	100.00
RBB KG	Rehaklinik Wien Baumgarten Betriebs-GmbH & Co KG, Vienna, Austria	100.00
RKB GmbH	Rehabilitationszentrum Kitzbühel Betriebs-GmbH, Kitzbühel, Austria	100.00
RKB KG	Rehabilitationszentrum Kitzbühel Betriebs-GmbH & Co KG, Kitzbühel, Austria	100.00
RMB	Rehabilitationsklinik im Montafon Betriebs-GmbH, Schruns, Austria	100.00
ROB GmbH	Rehabilitationszentrum Oberndorf Betriebs-GmbH, Oberndorf, Austria	100.00
ROB KG	Rehabilitationszentrum Oberndorf Betriebs-GmbH & Co KG, Oberndorf, Austria	100.00
RZS	Rehaklinik Zihlschlacht AG, Zihlschlacht-Sitterdorf, Switzerland	100.00
SED	MEDITERRA - Sedlčany, s.r.o., Sedlčany, Czech Republic	100.00
STC	Seniorenzentrum St. Corona am Schöpfl Betriebsgesellschaft m.b.H., Vienna, Austria	100.00
TAU	TAU Management und Betriebsführung GmbH, Vöcklabruck, Austria	60.00
TBS	Therme Seewinkel Betriebsgesellschaft m.b.H., Frauenkirchen, Austria	100.00
TMD	TEMAMED Medizintechnische Dienstleistungs GmbH, Kirchheimbolanden, Germany	100.00
UKK	VAMED UKK Projektgesellschaft m.b.H., Berlin, Germany	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 GmbH, Vienna, Austria	100.00
VE KG	VAMED ENGINEERING GmbH & CO KG, 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 Krankenhausmanagement und Betriebsführungsges. m.b.H., Vienna, Austria	100.00
VMS GMBH	VAMED Management und Service GmbH, Vienna, Austria	100.00
VMS KG	VAMED Management und Service GmbH & Co KG, Vienna, Austria	100.00
VMS-CH	VAMED Management und Service Schweiz AG, Zihlschlacht-Sitterdorf, Switzerland	100.00
VMS-D	VAMED Management und Service GmbH Deutschland, Berlin, Germany	100.00
VMT	VAMED Medizintechnik GmbH, Vienna, Austria	100.00
V-NL	VAMED Nederland B.V., Arnheim, The Netherlands	100.00
VPH-F	VAMED Projets Hospitaliers Internationaux France S.A.S, Neuilly-sur-Seine, France	100.00
VSB	VAMED Service- und Beteiligungsges. m.b.H., Berlin, Germany	95.00
VSG GMBH	VAMED Standortentwicklung und Engineering GmbH, Vienna, Austria	100.00
VSG KG	VAMED Standortentwicklung und Engineering GmbH & CO KG, Vienna, Austria	100.00

All company names are shown as registered; the names of countries are according to ISO 3166.

LIST OF INVESTMENTS OF VAMED GROUP AS AT DECEMBER 31, 2015

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

Non-consolidated companies:

Abbreviation	Company, location	Capital interest %
AVK	ATEGRIS VAMED Krankenhaus Service GmbH, Oberhausen, Germany	49.00
BBH	Blumauerplatz Beteiligungs-Holding GmbH, Linz, Austria	100.00
BPB	Burgenländische Pflegeheim Betriebs-GmbH, Neudörfl, Austria	49.00
CFM	Charité CFM Facility Management GmbH, Berlin, Germany	16.33
CFS	Casalis Facility Services GmbH, Kassel, Germany	49.00
CWS	CW Krankenhaus-Service GmbH, Düsseldorf, Germany	25.00
FMS	Facility Management Schleswig-Holstein GmbH, Kiel, Germany	50.00
GOK	Gemeinnützige Oberndorfer Krankenhausbetriebsgesellschaft m.b.H., Oberndorf bei Salzburg, Austria	49.00
GRB	Gesundheitsresort Gars Betriebs GmbH, Gars am Kamp, Austria	19.14
GRG	Gesundheitsresort Gars GmbH, Gars am Kamp, Austria	17.00
ITS	UKSH Gesellschaft für IT Services mbH („ITSG"), Lübeck, Germany	49.00
ITT	UKSH Gesellschaft für Informationstechnologie mbH („GfIT"), Lübeck, Germany	49.00
LKV	LKV Krankenhaus Errichtungs- und Vermietungs-GmbH, Linz, Austria	49.00
NRZ	Neurologisches Rehabilitationszentrum "Rosenhügel", Errichtungs- und Betriebs-GmbH, Vienna, Austria	49.00
OCB	Oberndorfer Catering Betriebs-GmbH, Oberndorf bei Salzburg, Austria	49.00
PHR	POPOVACA NEUROPSYCHIATRIC HOSPITAL RENOVATION PROJECT COMPANY d.o.o., Zagreb, Croatia	15.00
PSZ	Psychosomatisches Zentrum Eggenburg GmbH, Eggenburg, Austria	29.00
RBW	Rehabilitationsklinik im Bregenzer Wald Betriebs-GmbH, Lingenau, Austria	100.00
RVB	Rehabilitationszentrum St. Veit im Pongau Betriebs-GmbH, St. Veit im Pongau, Austria	76.00
RZO	Rheuma-Zentrum Wien-Oberlaa GmbH, Vienna, Austria	49.00
SEN	S.EN.AL.PA. S.P.A., Venice, Italy	21.40
TBG	'TBG' Thermenzentrum Geinberg Betriebsgesellschaft m.b.H., Linz, Austria	18.00
TEH	Therapiezentrum Enns Holding GmbH, Linz, Austria	29.70
THG	"THG" Thermenzentrum Geinberg Errichtungs-GmbH, Linz, Austria	27.34
THL	THL Therme Laa a.d. Thaya - Projektentwicklungs- und Errichtungsgesellschaft m.b.H., 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 GMBH, Längenfeld, Austria	11.66
TWB GMBH	Tauern SPA World Betriebs-GmbH, Kaprun, Austria	20.99
TWB KG	Tauern SPA World Betriebs-GmbH & Co KG, Kaprun, Austria	17.07

LIST OF INVESTMENTS OF VAMED GROUP AS AT DECEMBER 31, 2015

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

Abbreviation	Company, location	Capital interest %
TWE GMBH	Tauern SPA World Errichtungs-GmbH, Kaprun, Austria	20.99
TWE KG	Tauern SPA World Errichtungs-GmbH & Co KG, Kaprun, Austria	17.07
TWO GmbH	Therme Wien Ges.m.b.H., Vienna, Austria	19.99
TWO KG	Therme Wien GmbH & Co KG, Vienna, Austria	19.99
UKH-Linz	UKH-Linz Errichtungs- und Vermietungs-GmbH, Linz, Austria	33.33
UKS	VAMED / DIF UKSH PPP GmbH, Berlin, Germany	10.00
VAROM	VAMED ROMANIA S.R.L., Bucharest, Romania	100.00
VBH	"VAMED B&H" d.o.o. Banja Luka, Banja Luka, 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-GAB	VAMED GABON SAS, Libreville, Gabon	100.00
VE-NIG	VAMED ENGINEERING NIGERIA LIMITED, Abuja, Nigeria	15.00
VE-PHD	Philippine Hospital Project Development Corporation, Manila Makati City, Philippines	40.00
VE-TUR	VAMED TURKEY MÜHENDİSLİK İNŞAAT TAAHHÜT MEDİKAL SAĞLIK HİZMETLERİ LİMİTED ŞİRKET, Ankara, Turkey	100.00
VHC	VAMED Healthcare Co. Ltd., Beijing, China	100.00
VHH	VAMED Hungaria Health Care Ltd., Budapest, Hungary	100.00
VHR	VARAŽDIN GENERAL HOSPITAL RENOVATION PROJECT COMPANY d.o.o., Zagreb, Croatia	15.00
VHS	VAMED HEALTHCARE SERVICES SDN. BHD., Kuala Lumpur, Malaysia	93.14
VHT	VAMED Healthcare Services (Thailand) Ltd., Bangkok, Thailand	49.00
VIH	VAMED International Hospital Management and Consulting (Beijing) Co., Ltd., Beijing, China	100.00
VME	VAMED Middle East Healthcare Management and Consultancy Services LLC, Abu Dhabi, United Arab Emirates	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
VPL	VAMED Polska Sp. z o.o., Warsaw, Poland	100.00
V-RU	OOO VAMED, Moscow, Russian Federation	100.00
VSK	"VAMED Services Kosovo" L.L.C., Pristina, Kosovo	100.00

All company names are shown as registered; the names of countries are according to ISO 3166.

AUDITOR'S REPORT

We have audited the attached 'Condensed Consolidated Financial Statements' of VAMED AG, Vienna, comprising the balance sheet as at December 31, 2015, the income statement, cash flow statement, statement of changes in equity, and condensed Notes for the fiscal year then ended. The condensed consolidated financial statements are based on the Group Reporting Package prepared in accordance with the International Financial Reporting Standards (IFRS) as applicable within the EU, and the consolidated group stipulated therein.

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 EUR 2 million was agreed upon in accordance with the Austrian Business Code, section 275.

Management's responsibility for the condensed consolidated financial statements

Management is responsible for 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 preparation and proper overall presentation of the resulting condensed consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS) as applicable within the EU, as well as for internal controls which the Management considers necessary to enable the preparation of condensed consolidated financial statements free of material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the condensed consolidated financial statements based on our audit. We conducted our audit in accordance with Generally Accepted Accounting Principles in Austria. These principles require the application of international auditing standards (International Standards on Auditing (ISAs)). These principles 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.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the condensed consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the condensed consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the group's preparation of condensed consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Management, as well as evaluating the overall presentation of the condensed consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for our qualified opinion

The condensed consolidated 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 condensed consolidated 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 condensed consolidated 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 IRFS.

- The VAMED subgroup's financial statements comprises two non-profit organizations, which turn over a total of € 12.6 million, from which the VAMED group does not benefit directly.

Qualified opinion

In our opinion, the condensed financial statements of the VAMED AG subgroup, Vienna, as at December 31, 2015, subject to the qualifications stipulated in the above paragraph, were prepared in accordance with International Financial Reporting Standards (IFRS) as applicable within the EU and give a true and fair view of the financial position of the VAMED AG subgroup as at December 31, 2015 and of its financial performance for the financial year then ended.

Vienna, March 4, 2016

Deloitte Audit Wirtschaftsprüfungs GmbH

Dr. Christoph Waldeck
Certified Public Accountant

ppa. Dr. Claudia Brunnhuber-Holzinger
Certified Public Accountant

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